FBIS DAILY REPORT

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PEACE MARCHERS TO FLY TO GUATEMALA 10 JANUARY

PA081508 Managua Radio Sandino in Spanish 1930 GMT 7 Jan 86

[Excerpt] The Reverend Blaise Bonpabe, general coordinator of the March for Peace through Central America, reported today during a news conference that the marchers will leave Friday by air for Guatemala to continue their troubled journey, after having been unable to enter Honduras and El Salvador.

The marchers will leave for Guatemala on 10 January aboard regular commercial flights and will later travel to Mexico where, according to them, they will be received by Mexican President Miguel de la Madrid Hurtado. Later a delegation will leave for Washington, where it will hold a news conference on 24 January and meet with several U.S. congressmen.

Bonpabe said that the marchers decided to call off their trip by sea to El Salvador yesterday because the government headed by Napoleon Duarte has barred entry to the marchers via any route.

TANA CONDEMNS U.S. ACTIONS AGAINST LIBYA

PA081317 Managua Radio Sandino in Spanish 1200 GMT 8 Jan 86

[Text] The Anti-Imperialist Tribunal of Our America [TANA] said yesterday that a majority of nations can declare war on the United States. In a communique, TANA yesterday condemned the irresponsible behavior of the U.S. Government, which has deployed 24 warships in the Mediterranean in a bid to intimidate the Socialist People's Libyan Arab Jamahiriya.

TANA says that the Libyan people, led by Colonel Mu'ammar al-Qadhdhafi, won back their historical rights 15 years ago, and U.S. imperialism is now trying to wrest these rights away from them. For these reasons, this action deserves utmost condemnation and repudiation from TANA's leadership and from all peoples and governments in the world who love peace, democracy, and freedom.

On the eve of the news conference to be held by U.S. President Ronald Reagan, TANA believes that never before has the biblical saying that "with what measure you mete it shall be measured to you again" been so applicable as in the present circumstances. If Washington believes it is entitled to declare war on Libya for protecting alleged Palestinian guerrillas, most nations in the world could also declare war on the United States for publicly harboring the worst antisocial terrorist gangs and scum, whom the U.S. President describes as champions of freedom.

SECRETARY SAYS PART OF DEBT WILL BE REFINANCED

PY081151 Buenos Aires TELAM 2256 GMT 4 Jan 86

[Text] Cordoba, 4 Jan (TELAM) -- Finance Secretary Mario Brodersohn has acknowledged that our country's foreign debt is now nearly $50 billion, and that the government will consider negotiating with private banks and international financial organizations in order to partially pay this year's interest.

In telephone statements to the "With Another Point of View" program of the University of Cordoba radio station, Brodersohn added that servicing of the debt exceeds private estimates, which show the figures to be a little over $4.7 billion. He said, however, that this is not really the amount we are going to pay because some of the 1986 negotiations will center on how much of the total amount can be refinanced. The secretary also said there is no serious impediment to discussing the renewal of the IMF standby agreement, which will come due next March.

According to Brodersohn, negotiations will be carried out with the creditor banks, the Paris Club, the IMF, and the World Bank after the national economic policy plan, upon which the negotiations will be based, is discussed in Argentina. He said the two great challenges of 1986 will be to maintain a low inflation rate while creating conditions for growth in the economy, to effect a recovery in technology, and to participate in international markets. In order to achieve this, it is necessary to undertake important structural changes in 1986 affecting the public sector, the financial system, and further modernization of the industry. He considers these objectives essential to Argentina, regardless of whether a Baker Plan is implemented, and with or without IMF and World Bank aid.

Regarding the reorganization of the public sector, he said that different duties, functions, and state intervention should be clearly defined. He also noted that it will be necessary to establish a more efficient taxation policy, under which export taxes, for example, will eventually be abolished. Asked about the possibility of dismissing public sector personnel, Brodersohn said everyone agrees that this sector has more employees than necessary. He stressed, however, that the government does not want to create unemployment. He said this means that any decision made on this matter will have to be made within a total employment context by which those who work for the state should begin working in the private sector. This will require establishing mechanisms to encourage the reemployment of this labor force.

Changing the subject, Brodersohn announced that the proposed 1986 budget as well as several tax measures, which were discussed in the last congressional term, will be sent to Congress by mid-January.

TROCCOLI OPENS DEMOCRACY COUNCIL MEETING

PY081256 Buenos Aires BUENOS AIRES HERALD in English 7 Jan 86 p 1

[Text] (NA-DYN) Interior Minister Antonio Troccoli yesterday presided over the inaugural meeting of the Council for the Consolidation of Democracy. In his opening speech Troccoli outlined the Council's objectives which are, according to a statement issued to the press after the meeting by Council coordinator Carlos Nino, "to reflect on proposals to formulate a project which will transform the country on the principles of participative democracy, solidarity ethics and the modernization of structures. The Council will also reflect on the philosophical and political basis of the concepts to be analyzed."

Nino confirmed the Council had not discussed a constitutional reform which would modify the designation of bishops by the President nor did they discuss whether the president of the republic be a Roman Catholic or not.

The creation of the Council was in direct response to President Raul Alfonsin's call in last December's UCR convention at Parque Norte to nurture and strengthen democracy. The Council may, in the future, meet with President Alfonsin on an occasional basis if both parties deem it necessary.

Only two of the Council's members were on leave of absence at yesterday's inauguration and one of the best known members, presidential Peronist adviser Angel Federico Robledo, said the Council decided to divide into study groups and will do so within the next three days. Robledo added "the tone of the meeting was cordial and was a good occasion for members to get acquainted with each other."

Governor of La Rioja Carlos Menem welcomed the creation of the Council and he expressed his hope "it really consolidates democracy and is not simply a pile of celebrities without a specific function."

However, Intrasigent Party (PI) president Mariano Lorences was not impressed and said "I cannot see any consolidation of democracy in a group of well-known personalities who give their opinion when it is asked for."

The Council will meet again in the Interior Ministry on Thursday, January 16 at 5 pm to allocate tasks to the different work groups.

INDUSTRY, FOREIGN TRADE APPOINTMENTS MADE

PY081846 Buenos Aires BUENOS AIRES HERALD in English 8 Jan 86 p 3

[Text] (NA-DYN) -- Industry and Foreign Trade Secretary Roberto Lavagna yesterday announced the names of the five economists who will head up the undersecretariats in the recently merged portfolio.

Enrique Martinez, dean of the University of Buenos Aires School of Engineering during the last Peronist government, takes over the small- and medium-sized enterprises undersecretariat.

Heading exports policy is Ricardo Bril, former Justicialist activist now enrolled in the Buenos Aires City branch of the Radical Party's National Coordinating Board (JCN).

Beatriz Nofal moves over from aide to Economics Policy Secretary Jorge Machinea to tackle industrial development.

Lavagna rounded out his team with Guillermo Campbell at the trade desk and Luis Garcia in charge of industrial affairs and modernization.

Pedro Dudiuk, closely related to Peronist deputy Diego Guelar and earlier tipped by the press for the latter undersecretariat, and Carlos Maria Llaurado are expected to stay on in advisory or coordinating capacities.

Meanwhile, the Argentine Industrial Union (UIA) yesterday released a statement hailing the importance of the government's decision to fuse the industry and foreign trade secretariats as a "step forward to synthesize the real significance of industry in the socio-economic life of the country."

ADN ISSUES COMMUNIQUE OPPOSING COMPULSORY LOAN

PY090251 La Paz Cadena Panamericana in Spanish 0000 GMT 9 Jan 86

[Text] The Nationalist Democratic Action [ADN] categorically opposes the compulsory loan system. The party, led by General Hugo Banzer Suarez and which signed a pact with the ruling MNR [Nationalist Revolutionary Movement], has just released a communique rejecting the compulsory loan system. The communique bears the signature of ADN national leader Eudoro Galindo and National Executive Secretary Guillermo Fortun.

Basically, the communique states:

ADN categorically opposes the compulsory loan system enacted by Supreme Decree 21148 because of its unconstitutional character. Therefore, as soon as the congressional activities start, the ADN bloc will submit a bill seeking to abrogate the decree.

ADN reasserts the executive branch's duty to present to the National Congress the draft of the consolidated budget for fiscal spending and the comprehensive program of tax reforms and to report to the Congress on the international economic negotiations and their current status.

As soon as the required data are provided, the ADN will present valid alternatives and concrete proposals in an effort to contribute, with a nationalistic sentiment, to overcoming the crisis and seeking solutions leading our people to order, peace, and work.

This is ADN's communique.

BRIEFS

OIL, GAS PRODUCTION -- Between January-November 1985, YPFB [Bolivian Government Oil Deposits] petroleum, condensates, and natural gasoline output reached 7,219,777 barrels, that is, 21,616 barrels daily, YPFB Chairman Engineer Rene Guachalla has reported. Over this period the gross natural gas output reached 153.559 billion cubic feet. [Excerpts] [La Paz EL DIARIO in Spanish 22 Dec 85 pp 1, 3 PY]

GOVERNMENT UNWILLING TO SUPPORT LIBYAN SANCTIONS

PY091255 Madrid EFE in Spanish 1213 GMT 9 Jan 86

[Text] Brasilia, 9 Jan (EFE) -- Brazil will not support the U.S. economic sanctions against Libya, it was leaked today at the Foreign Ministry.

The Foreign Ministry has carefully studied the sanctions imposed by President Ronald Reagan against Mu'ammar al-Qadhdhafi's regime, a spokesman said. According to these sources, the Foreign Ministry has taken into account the reaction of the U.S. European allies, who have declined to support the U.S. sanctions against the Libyan Government.

Brazilian-Libyan relations are gradually returning to normal after an incident 2 years ago, when three Libyan planes bound for Nicaragua were held in Brasilia because they were found to be carrying weapons instead of medicines.

Brazil exports weapons to Libya and buys Libyan oil. The Brazilian company Mendes Junior recently qualified to participate in the construction in Libya of a 1,500-km highway at an estimated cost of $2.8 billion.

NATIONWIDE TRUCKING STRIKE IN SECOND DAY

PY080031 Sao Paulo Radio Bandeirantes in Portuguese 1450 GMT 7 Jan 86

[Excerpts] Although losing strength, the truck owners' and drivers' strike continues throughout the country. In Rio de Janeiro, some gasoline station owners fear that the strike will cause great losses to their sector. The strike is in its second day in Santa Catarina state. We have a report from Alvir Rente:

[Begin recording] In the state of Santa Catarina, the strike continues. Public Security Secretary Heitor (Ge) has reported that he is giving full support to the National Highway Department. He added that the Security Secretariat is not trying to prevent any strike, and is willing to hold talks so that the mobilization does not interfere with traffic.

The strikers do not expect anyone to return to work until the federal government meets all of their demands. Meanwhile, we will wait, they said, convinced that the federal government must be moved into granting them their requests. The creation of a national truck drivers union is also being discussed in our state.

Another picket formed this morning on the border with the state of Rio Grande do Sul, where approximately 5,000 vehicles are parked along the shoulder of the BR-101 highway. [end recording]

Here in Sao Paulo the paralysis of the drivers is concentrated in the southern part of the state. From (Miacatu) we will listen to reporter Luis Carlos Gertel:

[Begin recording] At least 2,000 trucks are parked near (Miacatu), 140 km from Sao Paulo, on the Regis Bitencourt Highway. This picket began to form yesterday at 1000. The strikers do not agree with the freight price list approved by the Ministerial Council on 3 January, and stress that they want a minimum freight price list and not a maximum price list. They also demand the creation of a nationally recognized truck drivers association. [end recording]

REPORTAGE ON REACTION TO PLANNED KENNEDY VISIT

Del Valle Remarks

PY081452 Santiago Radio Chilena in Spanish 2200 GMT 7 Jan 86

[Text] Foreign Minister Jaime del Valle has stated that no government official will meet with Senator Edward Kennedy during his upcoming visit, adding that Chile had granted the Democratic senator a courtesy visa.

On the other hand, the Argentine ambassador noted the importance of the visit Kennedy will pay to his country, pointing out that it is good for the people of these two countries to get to know each other.

Journalist Jose Francisco, who is with us, will give us more information on this subject. Good afternoon, Jose Francisco, what were the foreign minister's excuses for not meeting with Kennedy?

[Begin recording] [Jose Francisco] Good afternoon. Minister Jaime del Valle has noted what he considers Senator Kennedy's unfriendly attitudes toward the Chilean Government, which have been harmful to the country. Del Valle added that the Democratic senator wanted to meet with government authorities but that, during a meeting held today at the U.S. Senate, Chilean Ambassador Hernan Felipe Errazuriz politely informed Kennedy that Chilean authorities could not receive him. These were the minister's explanations.

[Del Valle] You are well aware of the main reason. He is a person who has not displayed a cordial attitude, but rather a permanent unfriendly attitude toward the government. This has obviously harmed our country. It has had a harmful effect on Chile. Therefore, it is only logical that we not receive a person who has had such an attitude toward us. [end recording]

Del Valle added that the granting of a visa to the U.S. senator proves once again the political opening that prevails in Chile. He was asked whether it is a mistake to allow Kennedy to hear only one side of the story and not allow him to hear the opinion of government officials. Del Valle answered that the government believes it would not achieve anything positive in meeting with him.

Senator Edward Kennedy will arrive in Chile on 15 January as part of a tour he is starting this evening to Brazil, Uruguay, and Argentina.

At we stated at the beginning of this report, Argentine Ambassador to Chile Jose Maria Alvarex de Toledo noted the importance of Kennedy's visit to Buenos Aires. He said that it is always good for outstanding U.S. opposition or government officials to exchange points of view with our countries. He added that this visit will help the senator to become better acquainted with the area.

National Unity Comments

PY081826 Santiago Domestic Service in Spanish 1630 GMT 8 Jan 86

[Text] Former legislator Fernando Maturana, vice president of the National Unity, stated that U.S. Senator Edward Kennedy is visiting Chile to gather more information for his anti-Chile campaign. The National Unity yesterday issued a communique in which it protested Kennedy's visit to Chile and declared him persona non grata. Regarding the importance attributed to Kennedy's visit, Maturana said that it is in keeping with the status of a representative of the opposition in the U.S. Senate and is within the normal framework of a strategy which uses international issues for political gain at home.

He added that many U.S. Democratic Party politicians, of the so-called liberal faction, who also have the support of moderate and rightist voters, usually resort to international issues concerning the Third World and human rights to improve their public image.

Maturana said that Kennedy is exercising his leftist beliefs regarding Chilean problems but not regarding U.S. affairs. He added: He is visiting Chile just to gather more information for his anti-Chilean campaign. Maturana said that Kennedy does not lack information on Chile but that he needs more equanimity. He said that the National Union has no interest in holding a meeting either jointly or privately with Senator Kennedy.

Conservative Groups Unhappy

PY081251 Madrid EFE in Spanish 1732 GMT 7 Jan 86

[Text] Santiago, 7 Jan (EFE) -- Opposition leaders have told EFE that conservative sectors of the National Accord for the Transition to Full Democracy do not favor a meeting with U.S. Senator Edward Kennedy, who will visit Chile on 15 January.

According to the sources, the rightists' reluctance stems from the fact that "even in rightist sectors, there is no clear-cut recognition of their independence from the military government, and the fact that Senator Kennedy has expressed anti-Pinochet positions in the United States still weighs heavily on them."

Some "inconveniences" have also arisen between the Political Studies Center (CEP), the Development Studies Center (CED), and the Latin American Faculty of Social Studies (Flacso) regarding who will be Kennedy's host.

In addition, the duration of Kennedy's stay in Santiago remains unknown, although judging from contacts being made by his advisers, the visit will probably last more than a day. The agenda of the U.S. senator in Santiago includes meetings with politicians, students, members of the Catholic Church, and representatives of the Chilean human rights commission.

On the afternoon of 15 January, the U.S. politician will meet with five Chilean university student leaders and hold a conference at the Spanish Social Circle.

A meeting with Cardinals Juan Francisco Fresno and Raul Silva Henriquez has been planned although this is being denied by some highly placed clergymen of the Catholic Church who were questioned by EFE.

On the other hand, it has been planned that Kennedy should visit the offices of the Vicariate of Solidarity and meet the top leaders of the Chilean human rights commission, which is chaired by jurist Jaime Castillo Velasco, a former justice minister under the Christian Democratic government of Eduardo Frei.

BRIEFS

DEPUTY CHIEF OF STAFF -- Air Force Brigadier General Jorge Massa Armijo has assumed the post of national defense deputy chief of staff. Massa Armijo is replacing Rear Admiral Sergio Cabezas Dufeu. [Excerpt] [Santiago LA TERCERA DE LA HORA in Spanish 22 Dec 85 p 23 PY]

MINISTER OUTLINES FEBRES CORDERO VISIT TO U.S.

PA081657 Quito Voz de los Andes in Spanish 1130 GMT 8 Jan 86

[Excerpt] According to Foreign Minister Edgar Teran Teran, the Ecuadoran and U.S. presidents will discuss bilateral relations between Ecuador and the United States, economic matters, particularly investments, U.S. aid, as well as other topics.

[Begin Teran recording] The president's objective in visiting the United States is to discuss U.S.-Ecuadoran bilateral relations, and, in essence, three aspects relating to bilateral relations. These are: political aspects involving bilateral relations and concurrence on certain principles; concurrence on certain bilateral actions; and economic matters, especially relating to joint investments; to ways in which Ecuador may use or take advantage of the Baker Plan, which is funneling resources from the international banks and international credit organizations, and to U.S. Government support in improving the Ecuadoran economy.

The two presidents will also discuss U.S. Government aid. As part of the economic aspects, the Ecuadoran president, or rather the finance minister, will sign credit agreements with the World Bank, the Inter-American Development Bank, and the Agency for International Development. Moreover, they will discuss diplomatic aspects related to securing guarantees for investment by financial organizations and to studying a bilateral agreement on investments. [end recording]

ALFARO LIVES ANNOUNCES 'DEFINITIVE WAR' PLANNED

PA081414 Hamburg DPA in Spanish 1934 GMT 7 Jan 86

[Text] Quito, 7 Jan (DPA) -- The subversive group Alfaro Lives, whose second in command was killed yesterday during a confrontation with the police, announced today that 1986 will be "the year of the definitive war" against the government.

"The Alfaristas will win or everyone will die in the struggle this year," the movement's national leader, Arturo Jarrin, has asserted in a recording delivered to a news agency. "This year we will definitely wage a war against the oligarchy," Jarrin added. He is currently the most wanted man in the country, following his spectacular escape from prison in Quito last year with three of his comrades through a 300-meter tunnel.

The subversive group's announcement was issued 1 day after the movement's "number two" man, Fausto Basantes, was killed by the police during a fierce shootout near the international airport in this city.

Alfaro Lives used the name of Eloy Alfaro, a liberal revolutionary leader who ruled Ecuador early in this century and assassinated in 1912. The group's activities increased in August 1984 when President Leon Febres Cordero's conservative government began its term.

REACTION CONTINUES TO TAYLOR-OPPOSITION MEETING

Colorado Party Commentary

PY071423 Asuncion Domestic Service in Spanish 2330 GMT 6 Jan 86

["Our Political Viewpoint" feature, from the "Voice of the Colorado Party" program]

[Excerpts] In recent days, the Paraguayan press has covered a meeting that U.S. Ambassador Clyde Taylor held with politicians of the so-called irregular groups. Apparently, the ambassador is trying to find the Achilles heel of the Paraguayan Government, which barely 1 week ago accredited him and gave him its traditional hospitality. This reminds us of former U.S. Ambassador to Paraguay Robert White, who displayed a similar attitude and who was then quietly transferred to Central America, to be finally excluded from the diplomatic service on the initiative of his own government.

Robert White vainly tried to criticize the peace that our government achieved, harassed the government through alleged human rights guardians, demanded that some criminals be released, and charged that the price being paid for peace was very high. Mr White forgot that the price paid for the peace that the United States imposed is considerably higher. The Paraguayan Government does imprison criminals who are dangerous to society or those who are permanently trying to confuse the people and disturb our coexistence by instigating subversion. There is no comparison between this and what happened in Vietnam and other countries, where the United States tried to justify the price paid for peace, which claimed the lives of thousands of people killed with the most sophisticated and feared weapons, such as napalm and B-52 bombers, which for years dropped fire and thousands of tons of bombs that mercilessly massacred men, women, children, and old people, who were burned alive.

No, Mr Clyde Taylor. We Paraguayans are accustomed to solving our problems by ourselves. We accept that our fellow countrymen exercise their rights. The opposition can engage in permitted actions, and this is what it is doing. They enjoy freedom of assembly and freedom of opinion, and they are represented in Congress along with the ruling Colorado Party. But that a foreigner like you, who even has privileges because of your ambassadorial status, ...no, Mr Taylor. Take your diplomacy home and leave us here with our democracy, our peace, and our work. You should first try to solve the problems of the 7 million U.S. unemployed, who are demanding bread and work in your country, and of over 30 million U.S. blacks who are demanding that their rights be respected. Where are the pseudo defenders of human rights? Once you have solved these problems we can then see who has worked harder for peace and for human rights.

The Colorado government of President Stroessner has always sought to promote cordial relations among the American nations with the help of the peoples, and has remained faithful to its traditional behavior, trying to avoid having its actions, words, or gestures hurt the feelings of other nations. The Paraguayan Government advocates respect for the rights of sovereign nations, and puts its good will at the service of the common good and of accord, so that we may again follow the principles of integration. [Colorado Party song]

EL DIARO Editorial

PY071810 Asuncion EL DIARIO in Spanish 7 Jan 86 p 15

[Editorial: "The Rules of Democracy"]

[Text] Unusual commotion occurred late last week and the beginning of this week in tranquil and peaceful Asuncion, as a result of the attitude taken by U.S. Ambassador Clyde Taylor, who is accredited here. As is well known, Taylor, in an attitude labeled unusual by some, openly and publicly contacted the legally recognized political parties as well as those parties which have not been authorized by the Electoral Court.

Various comments were made about this event, and the positions taken by some political party leaders and the national government and the parties that have not been recognized were diametrically opposed. The opinions varied from those who believe that the ambassador's attitude is real interference in the country's internal affairs and those who say there is no interference. This newspaper was one of the dailies that reported on the reactions. This is why we want to evaluate this issue without getting away from the objectivity and serenity which have always been our rule.

First, no one can oppose the idea of the U.S. ambassador getting familiar, freely and spontaneously, with the real situation of the country where he is beginning his important functions. So far, no objection can be made to the ambassador for beginning his inquiries and studies to make conclusions and become aware of the real Paraguayan situation. However, it cannot be ignored, and the U.S. diplomat must know this well, that there are a set of strict rules and principles which cannot be disregarded in any case.

The Havana Convention in 1928 adopted the rules of the public international law of the Americas and established principles which a well-known diplomat labeled "the duties of loyalty to the sovereign host country," which include in the first place the duty not to intervene in politics or in the internal affairs of a foreign administration, not to offend the government or its institutions, not to support rebellion, not to show disrespect for national symbols, not to violate government laws, and above all, to try to treat the government with respect and consideration.

In addition, Article 12 of the convention says with regard to the duties of diplomats: "Foreign diplomats cannot meddle in the internal or external affairs of the host country."

It is well-known that one of the cherished principles of the international law of the Americas is based on unconditional respect for the sovereignty of states, equality, nonintervention in the internal affairs of other states, and the self-determination of people to freely elect the government and the political regime most appropriate for their interests and needs.

The rules on this matter, which were patiently gathered during years of preparation for the international law of the Americas, are clear and do not admit doubt or distortions. Therefore, on this occasion it is necessary not only to recall these principles but to call the attention of those who, owing to their position and responsibility, have the obligation to respect and observe these principles and to see to it that their actions are guided by moderation, prudence, and discretion.

LA TARDE Editorial

PY080213 Asuncion LA TARDE in Spanish 7 Jan 86 p 8

[Editorial by H.D.D. "Sovereignty"]

[Text] Mr Ambassador Clyde Taylor, you have dared to offend this country that is consecrated to peace. You have done so because you have not respected the fundamental principle of coexistence among nations, that of nonintervention in the internal affairs of a nation that is not yours.

Who are you Mr Taylor? You are the representative of a nation under a republican system. I recognize and respect your position, but it does not grant you any right whatsoever to pretend to manipulate the internal affairs that are the exclusive concern of the government and people of Paraguay.

No, Mr Ambassador, your irreverent behavior goes beyond what can be expected from a diplomatic representative. You should learn about the historical process that shaped this country. You will then see that since the times of Dr Francia [the first ruler of Paraguay after independence], the Paraguayan people have staunchly stood up in defense of their country's territorial and political sovereignty. Two international wars were not enough to undermine our government's and our people's love for their institutions, their national symbols, and their land. We recognize that problems exist, but they are ours and no one else's; and we are in a position to find solutions to those problems, without the ostentatious intervention of third parties.

Mr Taylor, you have not offended the Government of Paraguay, you have offended all the people of Paraguay with your coarse pretention of injuring their sovereignty. But, I repeat, who are you to claim for yourself a right which you do not have? Do you perhaps believe that the bombs dropped over Hiroshima and Nagasaki entitle you to make such claims, or do you think that the withdrawal from Vietnam, leaving the doors open to international communism, invest you with power before the Paraguayan people? No, Mr Taylor, your brazenness is unacceptable in a country like ours.

Do not, Mr Taylor, disturb this peace for which we have fought and which we all want to preserve. The Paraguayan people are cordial and generous, offering their best to their friends, but with the same vigor they reject the pretention of foreigners who go against the mainstream and violate democratic principles.

Let me take the liberty to remind you that Paraguay is the country that has received the smallest amount of military aid from your country, and yet it has managed to stave off threats and dangers posed by extremist forces. Meanwhile, your country has adopted incomprehensible attitudes by equipping true armies that are today destabilizing factors of peace and democracy in different parts of the world.

If these comments warrant some objection on your part, my office, which is the office of a free journalist, has its doors open to you. Good night, Mr Ambassador, and please respect the principle of nonintervention in the internal affairs of our country.

OPPOSITION WANTS KENNEDY TO VISIT PARAGUAY

PY081456 Paris AFP in Spanish 0003 GMT 8 Jan 86

[Text] Asuncion, 7 Jan (AFP) -- Spokesmen for the National Accord opposition group, which is not recognized by the Paraguayan Government, have told AFP that Paraguayan exiles Domingo Laino and Luis Alfonso Resck will request U.S. Senator Edward Kennedy to include Paraguay in his South American tour, which begins 8 January.

Bob Mann, the senator's spokesman, reported in Washington that after meeting Brazilian political leaders, Kennedy will visit Uruguay, Argentina, and Chile.

Fellow party members stated in Asuncion that Laino and Resck, members of the Authentic Radical Liberal Party (PLRA) and the Christian Democratic Party (PDC), respectively, who live in exile in Buenos Aires, have met U.S. Embassy officials there to request a meeting with the Massachusetts senator.

If Kennedy decides to visit Paraguay, the plan calls for the two opponents of the regime of General Alfredo Stroessner to accompany the senator in an attempt to enter the country.

The exiled political leaders were expelled from the country approximately 4 years ago by the Stroessner regime. They have tried unsuccessfully to enter the country several times, most recently on 23 December. According to reports, Miguel Angel Gonzales Casabianca, director of the Foreign Relations Department of the Colorado Popular Movememnt (MOPOCO), will join the Paraguayan opposition leaders in their effort to return.

INTERIOR MINISTER DISCUSSES FORMOSA ARMS CACHE

PY081818 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1500 GMT 8 Jan 86

[Interview with Paraguayan Interior Minister Sabino Augusto Montanaro by unidentified reporters in Asuncion on 8 January -- recorded]

[Text] An arsenal was found yesterday in Formosa near the Paraguayan border. This morning Interior Minister Sabino Montanaro referred to the issue.

[Montanaro] We are...[changes thought] The officials who traveled yesterday to confirm the discovery have not yet returned. They should learn whether the weapons were to be introduced into Paraguay, as we believe they were, or whether they belong to the People's Revolutionary Army, which attacked the Formosa airport in 1976. However, based on information I received early today, the weapons and ammunition were not left there a long time ago but at most 1 or 1 and 1/2 months ago. If this is confirmed, it will be new proof that our adversaries promote violence. We are against violence and we will defend peace at any price. I hope this will not happen again.

[Question] Mr Minister, have the Argentine authorities asked for cooperation in the investigations?

[Montanaro] No. We sent our officials on our own initiative to gather information on the weapons found in Argentine territory.

[Question] If the possibility that you have mentioned is confirmed, what measures will be taken?

[Montanaro] We will search for those responsible, in Paraguay and in Argentina.

[Question] How many weapons have been found, sir?

[Montanaro] It is quite a large arsenal. Thank you very much.

PLR SENATOR INTERVIEWED ON NATIONAL DIALOGUE

PY071455 Asuncion ULTIMA HORA in Spanish 4 Jan 86 p 14, 15

[Interview granted to unidentified reporter by PLR (Radical Liberal Party) Senator Luis Maria Vega -- date and place not given]

[Text] [Reporter] Recently there has been talk about holding a national dialogue and a PLR proposal in this regard has been mentioned. Could you give us some specifics about this?

[Vega] The idea of holding a national dialogue is something that took hold a long time ago in the PLR. In fact, the PLR has specifically proposed holding a national dialogue because it is convinced that this is the best way to achieve true democracy in Paraguay. Recent Latin American models have shown the viability of holding a national dialogue to achieve a political opening that will lead to the enforcement of an effective state of rights. It is with this purpose in mind that after the municipal elections in October 1985, the PLR board ordered that steps be taken in this regard. As a result, we made contacts, particularly with the official government sector, whose participation is absolutely necessary for a national dialogue.

[Reporter] We believe the PLR is proposing a national dialogue at the party level. What has been the response?

[Vega] The PLR is trying to achieve a consensus that will lead to a greater political opening, which will of course have an impact on social, political, and moral issues. Today no one denies the need to achieve this political opening. What must be established is the methodology and dimension of this dialogue. Of course, we must also disregard any fantasy because politics is primarily reality. Based on this, we believe that the national dialogue must include all representative political sectors and other members of the social spectrum. The political spectrum is important because the decisions to be made are of a political nature. Therefore, the national dialogue must be promoted first by the political parties before any other possible promoters. Along this line of thinking, contacts were made with Colorado Party members. Their answers lead us to believe that a national dialogue is viable. Only the steps to implement the idea remain to be taken.

[Reporter] According to available information, it seems that the idea is to conduct the dialogue with the legally recognized parties, thus tacitly leaving the parties of the National Accord, which are not legally recognized, out of it.

[Vega] I understand that any dialogue must have an institutional basis. We seek to institutionalize the republic, and if we are going to adopt dialogue as a means to achieve it, it cannot be done any other way. We must accept that the political spectrum is composed of Liberalism, Coloradism, Febrerism, and Christian Democracy, without taking into account their electoral strength. These different components must then participate in the national dialogue. Problems may arise within Liberalism. As far as representativity is concerned, the institutional aspect cannot be disregarded, and the Radical Liberal Party and the Liberal Party are relevant. Any internal problem in any of the political parties is the exclusive business of that party. The other parties, I understand, must not interfere out of respect for the principle of individuality of the parties. The members of a party are the ones who are most interested in the party's internal problems. Outsiders do not have the right to intervene, except to help unite the factions. Anything else has to do with the internal affairs of each party. If the institutional principle embodied in each party is not respected and if outside interference in the internal affairs of the individual parties is not avoided, then the dialogue will hardly work.

[Reporter] On the question of a national dialogue, discrimination is made between "participationists" and "nonparticipationists." How can this be understood in light of the consensus that is being sought to bring about greater political liberalization?

[Vega] Personally, I believe that making the distinction does not make sense because we all know that a consensus must be sought in order to have greater political liberalization. If we all agree that dialogue is the best method, we do so because we have the same principles. I would not speak of "participationists" and "nonparticipationists," but of people who favor dialogue and people who do not favor dialogue, who are reluctant to seek understanding among Paraguayans, who insist on taking another road because they prefer imposing their ideas on others instead of seeking the unification of ideas.

[Reporter] The Febrerist Revolutionary Party [PRF] has said that it will not participate in the dialogue unless the National Accord can participate. Can this attitude block negotiations to create the multiparty group?

[Vega] In my opinion, none of the prospective participants can impose conditions. This would be like exerting pressure at the outset on other participants, thus violating the principle of equality and respect, by which all participants must abide at all times if any success is to be expected. No Paraguayan will allow another to impose conditions at the outset. We all have to treat one another as equals, and be willing to engage in a confrontation of ideas without preconceptions or bias. This is the only way positive results can be obtained. Moreover, any party making this type of demand shows arrogance and a poor democratic spirit.

[Reporter] Would you say that whoever made such a demand is discarding the presence of the PRF?

[Vega] I believe that is a problem of the PRF. We should welcome the PRF and the other parties with democratic spirit and patriotism because the nation needs a national dialogue. It would be sad if a party refused to participate but we do not have the right to question that decision.

[Reporter] Why do you think they make a big issue out of the National Accord?

[Vega] The National Accord does not represent the entire national political spectrum. Therefore, it cannot be the source of the idea of national dialogue as it apparently pretends.

[Reporter] You said that the various political sectors should participate in the dialogue. If the National Accord is barred how are the parties that make up the Accord going to participate in the talks?

[Vega] The so-called National Accord is made up of certain political parties. Now, if we want to give an institutional meaning to the dialogue, which I believe is necessary, the different forces which make up the National Accord should participate in the dialogue through their respective organizations, but not as the National Accord because a problem of representativity will emerge here and this is a matter that must be resolved by each political party.

[Reporter] In case some of the parties, like the PRF, refuse to participate, can the proposal for a dialogue be considered a failure?

[Vega] Not at all. The interests of the country are above the particular interests of political parties. If some parties refuse to participate in a dialogue, talks will be held with those parties that are willing to participate without conditions or impositions, with broad spirit, without prejudice or precepts, and within the rules of respect and tolerance, which are the rules of the game in a democracy.

[Reporter] When can the dialogue begin?

[Vega] The PLR is ready to begin at any time. It depends on the fulfillment of the basic requirements such as defining which parties will participate, the appointments of the parties' representatives, and the preparation of a commonly agreed upon work program.

BRIEFS

NEW FLIGHTS TO MEXICO -- Through decree no. 12,966 President Alfredo Stroessner has authorized Paraguayan Airlines to start negotiations to establish commercial flights to Mexico, with stopovers in Lima. [Summary] [Asuncion EL DIARIO in Spanish 31 Dec 85 p 11 PY]

EXPORTS DOWN 6.4 PERCENT -- According to the Customs Directorate, the value of Paraguayan exports in 1985 amounted to $321.2 million for the shipment of 1,309,290 tons of various products. Compared with 1984 exports, this represents a 6.4-percent drop. Cotton fiber, soybeans, wood, livestock products, tung oil, various edible oils, and tobacco were among the 47 products exported. [Summary] [Asuncion HOY in Spanish 2 Jan 86 p 11 PY]

CABINET RESHUFFLE CONCLUDES WITH 5 NEW MINISTERS

PA082251 Madrid EFE in Spanish 2145 GMT 8 Jan 86

[Text] Caracas, 8 Jan (EFE) -- President Jaime Lusinchi today ratified 14 members of his cabinet and appointed 7 new ministers. The cabinet reshffle occurred after the ministers submitted their resignations en masse to the president last night.

After the new appointments, the government will be as follows:

Interior Affairs	Octavio Lepage
Foreign Affairs	Simon Alberto Consalvi
Finance	Manuel Azpurua
Defense	Andres Brito Martinez
Development	Jose Angel Ciliberto (new)
Health and Social Welfare	Otto Hernandez
Agriculture and Livestock	Felipe Gomez
Labor	Simon Antoni Pavan
Transport and Communications	Juan Pedro Del Moral
Justice	Jose Manzo
Energy and Mines	Arturo Hernandez (new)
Environment and Natural Resources	Guillermo Colmenares (new)
Urban Development	Cesar Quintana (new)
Youth	Virginia Olivo (new)
Secretariat of the Presidency	Carmelo Lauria
Coordination and Planning	Leopoldo Carnevali
Venezuelan Investment Fund [FIV]	Hector Hurtado
Culture	Paulina Gamus (new)
Science and Technology	Tulio Arends
International Economic Affairs	Hernan Anzola
Guyana Development	Leopoldo Sucre

One of the changes was the transfer of Hector Hurtado from the Ministry of Development to the FIV; another was the appointment of Deputy Energy and Mines Minister Hernan Anzola as minister without portfolio for International Economic Affairs. The other five new ministers held no positions in the outgoing cabinet.

This is the second cabinet change carried out by President Jaime Lusinchi since assuming the presidency in February 1984.

BRIEFS

DRUG ARRESTS -- Barinas, 26 Dec (INNAC) -- Four people with nearly 1 kg of cocaine in their possession were arrested at La Caramuca, on the road from Barinas to San Cristobal. Judicial Technical Police officials from the Barinas delegation carried out the search in that town, located some 2 km from Barinas, and found the drug. They detained three men and one woman without revealing their names while the investigation continues. It was announced that the police have intensified their anti-drug activity in this state, and will increase it next year. [Text] [Caracas EL UNIVERSAL in Spanish 27 Dec 85 p 4-20 PA]

SOVIET ENVOY CRITICIZES U.S. MOVES TOWARD LIBYA

FL081752 Mexico City NOTIMEX in Spanish 0210 GMT 8 Jan 86

[Text] Mexico City, 7 Jan (NOTIMEX) -- Today Soviet Ambassador to Mexico Rostilav Sergeyev asserted that the mobilization announced by Washington of the U.S. Sixth Fleet in the Mediterranean Sea represents another threat to world peace and a great danger for the Middle East. He said peace can end in 2 or 3 seconds and world war erupt. An accidental launching of this fleet could result in a serious threat. This is why everything should be managed carefully and the use of military force avoided. The Soviet ambassador said this regarding the report on the deployment of a U.S. 24-warship fleet which is supported by combat aircraft and will remain at a reasonable distance from Libya after the attacks Palestinian groups carried out last week at the Rome and Vienna airports and which were allegedly backed by Libya.

Interviewed after expressing New Year's greetings to President De la Madrid, Sergeyev, asserted that the Soviet Union is against any kind of terrorism but supports the countries' struggles for liberation. Not all people who struggle for their country should be called terrorists. The struggle for each country's freedom is justified, and the USSR supports those movements, but we believe terrorist methods should not be used, the diplomat said.

The Soviet official also said that the United States supports state terrorism policies which have provoked armed conflicts in Libya, Lebanon, Syria, and have especially damaged the Arab Palestinian state, which Israel and the Reagan government do not recognize.

State terrorism is the cause, the origin, and the root of the acute tensions we have in the world today, not only in that region but also in Central America, where we can note its consequences, he added. He said that policy has caused geopolitical crises in Angola, the Middle East, Afghanistan, Central America, and other areas in the world, because the United States has not understood the need to abandon intervention in the affairs of other countries.

The Soviet diplomat went to the National Palace with the ambassadors accredited to Mexico to express New Year's greetings to President Miguel de la Madrid, with whom they met for half and hour. After the session, Nicaraguan Ambassador Edmundo Jarquin said that his country's outlook for 1986 is not positive inasmuch as the United States persists in its aim to overthrow the Sandinist government militarily. He said that faced with such categorical positions we cannot have encouraging or positive expectations and added that obstacles found by the Contadora Group are regrettable, because they represent an armed confrontation in Central America.

He said that Nicaragua is willing to sign any arms reduction agreement if the United States formally agrees to respect Nicaragua's safety.

DAILY ENDORSES DE LA MADRID STAND AT MEETING

PA082245 Mexico City EL NACIONAL in Spanish 7 Jan 86, p 11

[Editorial: "Full Sovereignty"]

[Text] Speculation on the nature of the topics to be discussed were not lacking in the days prior to the fourth meeting between Presidents Miguel de la Madrid and Ronald Reagan.

Some went so far as to hint at supposed concessions by Mexico to the U.S. Government. Anyway, once again rumors were spread far and wide, and all announced as real experts their opinions on the matter.

Nothing is better than reality, however. It faithfully mirrors what happens, and history will record it as it occurred. A climate of mutual respect prevailed during the meeting of the two presidents. Topics that are vital in the case of nations with common borders of more than 3,000 km were discussed. In sum, the necessary cooperation was discussed.

As an example of the full integration of the country's progressive forces, the PRI's National Executive Committee (CEN), through its leader Adolfo Lugo Verduzco, stressed the day before yesterday De la Madrid's firm support for Mexico's foreign policy. That is to say, he advocates traditional stands in accordance with principles, such as the peoples' self-determination, which cannot be negotiated.

Lugo Verduzco praised the stance of the president, who stressed that problems are not to be sidestepped if the nation is to solve the crisis. De la Madrid had said that the international crisis must be tackled jointly in such a way that commercial, financial, and technology transfer problems are not separated from each other.

Very familiar with the political situation, the PRI leader said that at present our country must not become isolated. He said: "We Mexicans cannot become isolated now that the world is becoming more and more interdependent."

It is clear, then, that cordiality and kindness prevailed during the meeting of the two presidents and that Mexico always advocated national interests.

PRESIDENT DEVALLE DELIVERS NEW YEAR ADDRESS

PA081241 Panama City MATUTINO in Spanish 7 Jan 86 pp 1 A, 6 B

[New Year address to the nation by President Eric Arturo Delvalle on 6 January]

[Text] Fellow countrymen:

A year has ended, and a new one makes its appearance over Panama's horizon. The time is opportune for all Panamanians, leaders and citizens alike, to meditate on the grave responsibility that falls upon us as we are called upon to participate actively, effectively, and with good will in finding solutions for the present and building a better future for our young republic.

The continual wave of upheavals that has characterized the world no longer surprises us. Violence, misunderstanding, and despair are increasingly threatening our region. In others, unexpected natural catastrophes near the end of the year made some countries' already overwhelming social, political, and economic difficulties more desperately acute.

Panama has remained calm and free of violence because God has wanted it so and thanks to the prudence of Panamanians. The country has progressed in a direction that clearly points toward the consolidation of a mature, institutional democracy, despite our imperfections, problems, and political passions.

However, we will achieve that goal only if each and every one of us assumes the tasks we have before us with determination and wisdom, adopting the measures that are most needed and best suited to attaining that goal. It will also be imperative to uphold firmly and with determination those policies that will pave the way to social and economic development.

The times leave no room to stray off course or gaze in bewilderment at our nation's troubles. Moreover, under no pretext can we gear our actions toward goals that cause destruction and chaos. Such an attitude would seriously jeopardize tranquillity and the very essence of our republic's life, as well as the lives of all of its citizens.

The temporary financial difficulties the Latin American countries, including Panama, are experiencing cannot be used irresponsibly to satisfy the selfish interests of minority sectors to the detriment of the majority. I hereby state categorically that my administration will adopt all actions necessary to keep our economic and financial system operating normally.

A mere 3 months ago fate placed upon my shoulders the enormous and difficult responsibility of leading this country. I did not evade that responsibility when it came upon me, and I will not evade it now. My administration has not been in office long enough to speak of accomplishments or to evaluate its actions. However, it can renew the deep commitment it acquired before the Panamanian people. I will devote all of my energy to the best of my ability to satisfy -- to the greatest extent possible -- the heartfelt hopes for improvement of the noble people of Panama. To do this I seek only those things needed by our country and us, a conglomeration of men and women of good will devoted to work, creation, and production, Panamanians who truly love our country, citizens who can forge their future and in so doing contribute to forging the future of our republic.

The mood that should prevail as the new year begins is one of hope based on real, positive action instead of dreams; on actions that will come forth clearly and sincerely to bring about a better future for all countries.

I will not discuss the action or actions I plan to carry out in 1986 at this time. I will do that soon and in detail. However, I do want to tell you that I will not go back on my decision to face the country's problems with courage, determination, and caution, as I have done until now to resolve them in the best possible ways and in ways congruent with Panama's situation. Our nation will enjoy a promising future if the majority of Panamanians join this effort and share these goals. Recriminations over past actions do not contribute to finding the path to peace, justice, freedom, and progress that all the world's citizens aspire to. Let us stop looking back. This leads only to negative postures and futile actions.

The current juncture demands that we chart our future. This is a challenge to all of us, to the nation, to Panamanians. History will judge in due time what we are doing today, what we will do tomorrow, and how we are facing this challenge. I am certain of one thing: that it will not forgive the failures that were a product of negligence, willful omission, or a lack of respect or love for our country.

All Panamanians, each from his own position in life, his trench, possess the capacity and spirit to meet this challenge successfully. Let us walk toward our encounter with the grand goals of work, social justice, and national peace.

Fellow countrymen, to all: my sincerest and warmest wishes for a happy and prosperous 1986.

NORIEGA REITERATES TERRORIST PLAN AGAINST CANAL

PA082237 Panama City ACAN in Spanish 2141 GMT 8 Jan 86

[Text] Panama City, 8 Jan (ACAN-EFE) -- Panamanian military chief General Manuel Antonio Noriega insisted today on the existence of a terrorist commando which is planning an attack on the Panama Canal, despite the fact that the United States has said it has no knowledge of the existence of such a threat. The Panama Canal is defended by the U.S. Southern Command, stationed on the banks of that waterway. However, in the year 2000 the Panamanian military will assume that duty.

Gen Noriega confirmed the reports on the existence of a terrorist commando, which is presumably training in the Netherlands Antilles, 3 days ago and brought the topic up again today, although he did not disclose details on the nature of the plan. He said exclusive reports by Panamanian intelligence service investigations in several countries led to the discovery of the commando's existence and that the reports have not been remitted to the U.S. Department of Defense "because that is not the proper channel to communicate this." However, he evaded questions as to whether any other organization had been advised of the development.

"In military intelligence all the cards are not put on the table at once. Countries always have ways to maintain their discretion according to the nature of the operation," the Panama Defense Forces chief explained. Gen Noriega issued these statements to members of the foreign press after a spokesman for the U.S. Department of State said that agency had no knowledge of any "specific threat" by terrorists against the canal's installations. Noriega considered that position to be "a response that characterizes the U.S. mentality."

He said the canal is one of the targets of a terrorist plan against U.S. installations and personnel in this hemisphere.

According to Noriega, the plan is divided into three phases, two of which were completed with the attacks on the Rome and Vienna airports, and that the third phase involves a target in this hemisphere. "The targets include the Panama Canal, but also the embassy or any other (U.S.) organization in Honduras or Costa Rica. This is part of a plan from which Panama will not emerge untouched," he claimed.

The Panama Canal is 80 km long and runs from the Atlantic to the Pacific oceans. Its most vulnerable points are the "Culebra Cut," the narrowest point along the waterway, and three sets of locks, which if rendered unserviceable could block navigation between the two oceans. The United States and Panama both agree that the canal is "indefensible," particularly from an air strike.

NORIEGA SUGGESTS MILITARY ROLE IN CONTADORA

PA090253 Panama City ACAN in Spanish 2144 GMT 8 Jan 86

[Text] Panama City, 8 Jan (ACAN-EFE) -- Panamanian Defense Forces Chief General Manuel Antonio Noriega said today that the military should participate in the Contadora Group's peace negotiations for Central America. Noriega said: "Contadora must be militarily advised. This does not detract authority from civilian power but helps it realize the true situation, because it is the military who really know what is going on."

Noriega made this statement 1 day prior to the third anniversary of Contadora's creation on Contadora Island by Panama, Mexico, Colombia, and Venezuela. The pacification negotiations have been paralyzed for more than 2 months.

Noriega added: "We have seen no progress through diplomatic efforts. This is why we propose that this effort should be reinforced with the participation of the military because, as it is said in sports, the ball got out of the stadium and has fallen in the military area."

Noriega, 47, commander in chief of the Defense Forces since 1983, said that he has not gotten in touch with other countries' military leaders to propose to them this military participation in Contadora. During an interview with foreign correspondents in Panama City, Noriega said: "Contadora's nature excludes the active participation of the military." The participation of the military in the negotiations should be considered a "realistic" measure, because "things should be said as they are."

Gen Noriega stressed that army leaders should not sit down at the negotiating table by themselves, but "jointly" with "diplomats." The military leader said: "I am speaking of participation of the military in the discussions. The military would make tactical and even social contributions toward a resolution of the problems."

Last year Noriega promoted a meeting between Honduran and Nicaraguan Army leaders in order to settle border issues. This meeting, however, never crystallized, despite the fact that Sandinist Defense Minister Humberto Ortega was willing to attend.

Noriega also stressed that Panama can play a more important role in the negotiations for peace in Central America because this country is the region's liaison point [punto de amarre] since Central American exiles have sought refuge here. Noriega said: "Panama knows who can negotiate, what, and where."

The group's pacification efforts are currently passing through their longest period of stagnation since the group's inception, after Nicaragua and Costa Rica asked in November 1985 for an interruption of the negotiations until March of this year.

After 3 years of negotiations, the Contadora Group succeeded in making the five Central American countries agree on points included in a peace treaty draft. Nevertheless, those points still pending approval, related to defense and security, have caused an impasse that has lasted for more than 6 months.

Abadia: 'Contadora Not Dead'

PA090340 Panama City Panavision Television in Spanish 0000 GMT 9 Jan 86

[Text] Panamanian Foreign Minister Jorge Abadia Arias has asserted that Contadora is not dead. The proof of this is that the members of Contadora and Latin American Support Groups will meet in Caracas on Saturday to continue seeking a peace treaty for strife-torn Central America.

[Begin Abadia recording] The group has ceased to be a temporary organization and is now a Latin American pacification organization. We believe that no matter what happens to Contadora in the near future, even if the peace and cooperation document is signed -- this would represent the greatest victory for Contadora -- Contadora will not disappear. It will continue to be a mechanism for dialogue and rapprochement, an instrument for the peaceful solution of conflicts in Latin America. Perhaps the time will not be long in coming when my words will be confirmed by facts. Contadora has been successful, even at this time, despite the fact that some have tried to discredit us and believe that Contadora represents a fruitless effort. We believe the opposite is true. We believe that this has been the loftiest effort ever to rise from Latin America. [end recording]

As we remember, Costa Rica and Nicaragua asked for a recess in Cartagena in November as there will be changes of government in three countries soon: Guatemala, Honduras, and Costa Rica.

The foreign minister said in conclusion: Contadora's nonexistence -- and all of us are aware of this -- would mean the presence of violence in the area. For this reason we, the foreign ministers of the two groups, will redouble our efforts.

EL SALVADOR

U.S. NAVY SHIP ALLEGEDLY FIRES AT FMLN POSITIONS

PA090042 (Clandestine) Radio Venceremos in Spanish to El Salvador 0020 GMT 9 Jan 86

[Text] Attention, attention. Radio Venceremos hereby reports that a U.S. warship navigating off the coast of Jucuaran has fired some artillery rounds against FMLN positions. The report indicates that on Tuesday, 7 January at 1400, in the place known as Cerro La Ventana, an FMLN unit engaged in a clash with units of the Cuscatlan Battalion and inflicted three casualties on the dictatorship's forces; two members were killed and one was wounded.

The report indicates that the dictatorship's forces desperately requested support from other units. Then, a U.S. Navy ship off our coast fired three artillery rounds in Cerro La Ventana, close to La Jagua, Jucuaran jurisdiction, Usulutan Department. A U.S. Navy ship, we repeat, close to the site and a short distance off the beach, fired three artillery rounds toward the land.

This is the report we have received from Jucuaran. This action indicates that U.S. imperialism is accelerating its intervention in the war against El Salvador. This action -- a U.S. Navy ship has opened fired against FMLN positions on the coast off Jucaran -- indicates the level of intervention by Ronald Reagan's government in the war being victoriously waged by our people. The gringos should not come later complaining because their men have died in El Salvador. They have come to wage a war in El Salvador, and they shall have a war!

PEACE MARCHERS' EL SALVADOR ACTIVITIES REPORTED

Not Allowed To Visit Perquin

PA090046 San Salvador EL MUNDO in Spanish 6 Jan 86 p 3

[Text] San Miguel -- With a reprimand for the organizers of the peace march, who are mainly foreigners, the Army prevented the caravan of 12 buses -- with approximately 600 people, mostly children and older people, in addition to labor activists -- from continuing its journey to Perquin, Morazan this weekend.

The caravan arrived in San Miguel Friday at 1600 without having encountered any problems along the Pan-American Highway, except for repeated searches of the vehicles at the Armed Forces checkpoints that protect the highway. At 1700 on the same day the caravan left for San Francisco Gotera in Morazan Department by way of the Military Route.

It was learned that at one point on this road, the 12 buses were stopped at an Army checkpoint, where the officers in charge told the marchers that they could not continue their journey to Gotera and Perquin because that area has been mined by extremists and also because clashes provoked by the guerrillas are still underway in that area. We will not allow you to continue the march because we want to avoid mishaps, the Army officers told them, and when some of the marchers insisted on continuing their journey, the officers added that that is not an appropriate area for such demonstrations. This is a battlefield where clashes occur continually and where only soldiers and rebels are killed; we cannot allow more civilians to die, the officers said. The Army officers told the organizers of the march, who are mostly foreigners supported by labor activists: We urge you, the organizers of the march, to be more responsible and avoid problems for the safety of the people who are accompanying you.

We advise and entreat you to go back where you came from.

It was reported that, in view of this situation, the marchers had to return to San Miguel after spending the night at the entrance to the Military Route, in the area known as (La Coquera), where they were bothered only by the mosquitoes and the heat. Early on Saturday, the marchers started their return journey to San Salvador.

Ochoa: Unwelcome in Chalatenango

PA082222 San Salvador Radio Cadena YSU in Spanish 1800 GMT 8 Jan 86

[Report by Francisco Espinoza]

[Text] The pacifists touring our national territory will try to reach the town of La Palma, Chalatenango Department, today. We talked about the matter with Colonel Sigifredo Ochoa Perez, commander of the 4th Infantry Brigade, with headquarters in this department.

[Begin recording] [Espinoza] Will you let the pacifists come to this department and reach La Palma?

[Ochoa] Let me tell you this: We have the mission of guaranteeing public security and order and our national sovereignty. There are a lot of Marxist activists within this group of self-styled pacifists, although some hide themselves behind a religious cover or other kinds of cover. The truth is that these are people who disrupt peace. This department... [changes thought] we have shed a lot of blood in this department throughout a year of all types of operations -- not only military operations but also psychological, social, and economic operations. The people want to invest their money because all is calm, and La Palma is a peaceful place. This is precisely why the first dialogue between the president and the subversives was held here, as proof of the government's goodwill to achieve peace.

However, you must have already ascertained that the subversives simply used the dialogue as a propagandistic weapon and to delay things. They did not want to reach any agreement or achieve peace; they only wanted to extend the situation and get some respite. Consequently, I will not admit people who come to disrupt order, particularly when this includes foreigners. Our Constitution and laws forbid any stranger from engaging in any type of political activity. The bad Salvadorans who participate in subversive organizations and support the FMLN will not be admitted either. They should be... [changes thought] if these people want peace and a job they should work for it instead of participating in this type of demonstration.

I do not know where they get so much money if they are people who do not work and simply go about disrupting peace. They will not be allowed into this department; I will not let anyone come and disrupt our order.

[Espinoza] Colonel, the pacifists say that if the government and the Armed Forces do not let them tour the country it means that you do not really want to achieve peace. What is your view on this?

[Ochoa] Well, this is only a propaganda maneuver. These people are paid and supported by people who clearly have Marxist or liberal tendencies. We know perfectly well who is financing this. In fact, I do not know why they have chosen our country. They apparently think that the people who live in these countries are still wearing loincloths, so anyone can easily come and use them for experiments. They should do this in their own countries. There is hunger in the United States and Europe; there is a lot of injustice, too. They should try to solve their own countries' problems before coming to meddle in our country's affairs. We, the Salvadorans, the government, and the Armed Forces are struggling to achieve peace. Peace is not only sought by shouting in the streets; peace can also be sought with weapons and political efforts. The armed subversive elements must...[changes thought] have two options: They either turn in... [changes thought] give up their belligerent attitude and try to achieve peace or else die in combat. That is our mission; therefore, we want to achieve peace. We do not want unrest, and that is a fact. We are quite clear about this. We are struggling to achieve peace and one of the ways to achieve peace is to wage a war. Therefore, I am not concerned by these so-called pacifists; they are neither pacifists nor democrats. [end recording]

In conclusion, the military officer stated that a counterinsurgency operation is currently being carried out at La Laguna and El Carrizal to counter the mobilization of guerrilla forces throughout the zone.

GUATEMALA

NICARAGUAN VICE PRESIDENT OPTIMISTIC ABOUT CEREZO

PA081249 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 6 Jan 86

[Excerpt] Nicaraguan Vice President Sergio Ramirez Mercado was here this weekend heading his government's delegation to the inaugural ceremonies of the Third Central American Games for Peace on 4 January. The Nicaraguan vice president is representing the president of his country, Daniel Ortega Saavedra, who decided not to attend in view of threats from the self-styled Secret Anticommunist Army, an extreme rightist terrorist group.

Guatemalan President General Oscar Mejia Victores has said on repeated occasions that he believes one can coexist with a communist Nicaragua, in response to questions about the Marxist-Leninist turn adopted by the Nicaraguan Government and its growing arms buildup. President-elect Vinicio Cerezo has not yet clearly defined his Christian Democratic government's policy toward the Managua regime, but Nicaraguan Vice President Sergio Ramirez said he is optimistic in this regard.

[Begin Ramirez recording] We hope that, as he said, President Cerezo will follow a policy of active neutrality toward Nicaragua as a government decision. We hope for close, respectful relations between Guatemala and Nicaragua, relations of political, economic, and social cooperation. We also hope we can achieve long-term peace and a good understanding between the two countries.

PANAMA'S NORIEGA TO BE GIVEN 'SPECIAL HOMAGE'

PA090238 Panama City ACAN in Spanish 0203 GMT 9 Jan 86

[Excerpt] Guatemala City, 8 Jan (ACAN-EFE) -- General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, arrived tonight in Guatemala City where he was received at the airport by the Guatemalan head of state, General Oscar Mejia Victores, and high-ranking military officers.

Although the reason for his visit has not yet been officially reported, it was learned that he will be rendered a special homage.

ESA THREATENS LABOR ACTIVISTS IN ESCUINTLA

PA081405 Guatemala City PRENSA LIBRE in Spanish 7 Jan 86 p 6

[Text] A paper signed by the Secret Anticommunist Army (ESA) has circulated in Escuintla threatening those who promoted a city transportation stoppage in Escuintla with the objective of increasing fares. The paper points out that all those who promote social unrest are communists, and it mentions six inhabitants of Escuintla who are participating in political activities and whom ESA threatens weith severe punishment.

HONDURAS

GOVERNMENT PROTESTS NICARAGUAN ARMY INCURSION

PA081826 Tegucigalpa Voz de Honduras Network in Spanish 1154 GMT 8 Jan 86

[Letter sent by Honduran Foreign Minister Edgardo Paz Barnica to Nicaraguan Foreign Minister Miguel D'Escoto on 7 January]

[Text] Mr Miguel D'Escoto, foreign minister:

On 2 January 1986 at 1400, 30 Nicaraguan Army troops entered Honduran territory, reaching the La Supa area in El Paraiso Department, where they took photographs of seven persons and kidnapped Jose Esteban Lopez Ramos, Jose de la Paz Ramos, Martin Ramos, and Simeon Carcamo, who were released the following day after being questioned and stripped of their belongings.

The invading group immediately moved on to the Sameul Gonzalez property located in Boca de Arenales, where they stole 17 animals.

Although my government knows beforehand that these criminal actions will be denied by Nicaraguan authorities, it fulfills my government's duty to strongly protest these new violations of our national sovereignty, and my government demands the return of the stolen objects and cattle.

I sincerely regret that the Nicaraguan Army has decided to open the new year with this type of criminal and provocative action, which once more forces me to remind Your Excellency that the Honduran Armed Forces have the constitutional duty and the firm determination to protect our territorial integrity and national sovereignty, exerting the right to legitimate defense established in Article 51 of the UN Charter.

APPEAL ALLEGES ELECTION UNCONSTITUTIONAL

PA082321 Tegucigalpa Voz de Honduras Network in Spanish 2234 GMT 8 Jan 86

[Text] This is a last minute report. At 0830 this morning an appeal was filed at the Supreme Court of Justice to have the National Electoral Tribunal's decision declared void by a resolution. The appeal is based on the alleged unconstitutionality of the 24 November elections. The appeal has been presented by lawyer Adolfo Pena Sabood from San Pedro Sula. The name of his party was not disclosed to this radio station.

This appeal will force the Supreme Court of Justice to make a pronouncement in a few days, taking into consideration that the transfer of power has been scheduled for 27 January and that the time stipulated for such appeals has been established by law. We will give more details on this during our Diario Matutino newscast tomorrow.

U.S. JOINT CHIEFS CHAIRMAN MEETS SUAZO

PA090212 Tegucigalpa Domestic Service in Spanish 1130 GMT 8 Jan 86

[Text] Admiral John Crowe, chairman of the Joint Chiefs of Staff of the U.S. Army, [title as heard] has met with Honduran President Dr Roberto Suazo Cordova at the presidential palace. Adm Crowe attended the meeting with U.S. Ambassador to Honduras John Ferch and other U.S. Embassy advisers. The meeting leasted about 50 minutes, and was also attended by General Walter Lopez Reyes, commander in chief of the Armed Forces, and Minister of the Presidency Ubodoro Arriaga.

Officially, the topics of the meeting are unknown, as the visitor made no statements, despite requests from foreign and local reporters who were at the presidential palace. Mr Crowe departed from Honduras yesterday afternoon for El Salvador, where presumably he will meet with the president of that country, Napoleon Duarte.

CENTRAL BANK SAID HELPING CONTRAS CONVERT CURRENCY

PA081853 Tegucigalpa LA TRIBUNA in Spanish 6 Jan 86 p 7

[Text] The Central Bank of Honduras is reportedly participating in operations that later favor the Nicaraguan counterrevolution by taking in large sums in cordobas from that country and exchanging them for lempiras every month.

This apparently refers to an unofficial report that certain leaders and members of the Nicaraguan Democratic Force (FDN) receive U.S. payments in cordobas and dollars that are exchanged for lempiras on the black market when they need to spend money in Honduras. However, according to a reliable source, FDN members also exchange dollars for cordobas in the Central Bank because it is the only currency they can use in Nicaragua. This report has not been denied or confirmed by Central Bank authorities, who are keeping a mysterious veil over the exchange of cordobas for lempiras by Nicaraguan citizens every month.

Last Friday, as is usual during the first Friday of each month, dozens Nicaraguans stood in line at the Central Bank to exchange cordobas for lempiras. These lempira buyers come from Nicaragua exclusively to exchange cordobas in order to buy foods in Honduras that are scarce or rationed in Nicaragua and return to their hometowns on the same day.

On one occasion, Central Bank President Gonzalo Carias Pineda gave assurances that those people are Nicaraguan refugees with some money on them at the time of arrival in Honduras. Carias Pineda's claim was ruled out because the bank noticed that the Nicaraguans waiting in line each month do not look like refugees and it was confirmed that they come from Nicaragua with tourist visas.

The lempiras buyers themselves said they are not refugees but Nicaraguan residents who come to Honduras to buy certain products such as toothpaste, toilet paper, soap, detergent, and others. They said the Honduran Central Bank gives them 35 lempiras for 1.00 cordobas [as published], which they use to buy certain products before returning to the country.

The exchange of cordobas for lempiras is carried out under security measures. Nicaraguans stand in line in front of the bank and receive a ticket at the main entrance. Then they go one by one to a window where they show passports and receive an order enabling them to buy lempiras. Later, at another window, they exchange cordobas under the watchful eye of members of the bank's internal security corps.

Our sources said the cordobas collected every month by the Central Bank are exchanged for dollars given to the counterrevolution by the United States. They pointed out that otherwise there is no reason for the bank to take in such large amounts in cordobas unless there is another use for them.

The purchase of the Nicaraguan currency is the only exchange activity carried out by the Central Bank, because dollar owners exchange them at the black market to in turn exchange them for lempiras; they do not buy Salvadoran colones, Costa Rican colones, or quetzales. [sentence as published]

Bank Denies Allegations

PA082342 Paris AFP in Spanish 2256 GMT 8 Jan 86

[Text] Tegucigalpa, 8 Jan (AFP) -- The Central Bank of Honduras today denied it has been converting to cordobas the aid in dollars received by the anti-Sandinist groups from the United States, as the news media reported over the weekend. An official communique states that, according to regulations in force, the Central Bank of Honduras only buys a total of $3,072 in cordobas from Nicaraguan tourists per month.

The communique adds that those cordobas "are sent to the Nicarguan Central Bank, according to norms established by the areas' central banks, and are liquidated through the Central American clearing house."

The communique explains that the Central Bank of Honduras receives cordobas only once a month and adds that, due to the mass arrival of Nicaraguans who want to convert their money to lempiras, a maximum of 500 cordobas ($17.80) per transaction has been established.

ARMED FORCES MAKE CHANGES IN VARIOUS DEPARTMENTS

PA081552 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 7 Jan 86

[Excerpts] Changes have been made in the Armed Forces. Manuel Flores Auceda, director of population and immigration policy, will now be general auditor of the Honduran Armed Forces. The new population and immigration policy director is Major Fausto Aquero, retired.

Colonel Ovidio Mendoza has been appointed director of the National Geographic Institute. Intelligence, G-2, chief Colonel Hector Aplicano is now director of the Armed Forces Command and Staff School replacing Colonel Omar Zelaya. Colonel Roberto Nunez Montes has been appointed Intelligence G-2, chief.

Colonel Herminio Velasquez will be stationed at Brigade 110, headquartered in Ojo de Agua, El Paraiso Department. Colonel Dagoberto Aspra has been transferred to the Copan Battalion. (Luis Alonso Obiscua Erdil) goes to the Comayagua Battalion, which was under the command of Dagoberto Aspra.

Colonel Mario Amaya has been appointed commander of the 5th Battalion and Colonel Astor Fiallos has been appointed Army inspector general. Colonel Cesar Elvir Sierra has been replaced in his post as director of the Armed Forces Public Relations Office. Jorge Alberto Arguello Moncada has been appointed director of the Armed Forces Public Relations Office and Artillery Major Napoleon Dantes Aguilar as been appointed his deputy director.

BISHOP DENOUNCES ARREST OF PRIEST, CIVILIANS

PA090131 Tegucigalpa Voz de Honduras in Spanish 1145 GMT 7 Jan 86

[Text] Yesterday the Catholic bishop from Comayagua, Msgr Gerardo Scarpone, described as arbitrary and illegal the arrest of the parish priest from Taulabe, Pablo Eduardo Mendez, and four [as heard] civilians, who were tortured by Cobra [special Army counterinsurgency unit] members, who arrested them on 4 January. Msgr Scarpone said he does not believe the persecution of the church is accidental, especially in Comayagua, where incidents like the one on 4 January have taken place on several previous occasions, "always when I have been abroad."

Meanwhile, Father Angel Castro from Comayagua said the arrest of the priest took place at 1600 as he was entering the highway at Puente Bacadillas, accompanied by a fairly large group of children and their parents who had been participating in a first communion retreat. The prelate said Father Mendez and Pedro Marquez, a civilian, were arrested by some 12 Cobras, who took them away in a blue pickup without a license plate that came from the north and headed toward Monte Verde, where they also arrested Joaquin Suazo and Concepcion Rodriquez, whom the priest said he had never seen before. They were all blindfolded and handcuffed and later taken in the same vehicle to Taulabe, where the people, who had already been alerted of the situation, had mobilized to prevent the policemen and their prisoners from passing.

The policemen shot their way through the crowd and proceeded towards Siguatepeque. The arrested people were questioned intensively and asked whether they had participated in subversive activities; however, since the policeman never obtained any definite information, they decided to abandon them at around 2200 near the Monte Verde restaurant just outside Siguatepeque.

Father Castro said that those who were arrested were physically and mentally tortured.

NICARAGUA

SANCTIONS AGAINST LIBYA EXPOSE U.S. HELPLESSNESS

PA081400 Managua Radio Sandino in Spanish 1254 GMT 8 Jan 86

["Beyond the News Report" feature by Eligio Alvarez Montalvan titled: "The Reagan Administration Seems To Have Failed in Its Clash With Libya"]

[Text] In an apparent failure of his plans of aggression against Libya, U.S. President Reagan, in his much publicized news conference held last night at the White House, limited himself to order only economic sanctions against the government of Colonel Mu'ammar al-Qadhdhafi. This was to be expected since he was unable to get cooperation from his Western European allies to take more drastic action. The U.S. President announced a ban on all import and export trading with Libya. He also urged all Yankee citizens living in Libyan territory -- (?adding up) to over 1,000 -- to immediately return to the United States.

Moreover, during the news conference Reagan did not present any proof of Libya's involvement in the Rome and Vienna attacks. However, he said U.S. intelligence services are aware of the existence of Palestinian training camps in Libyan territory.

We feel that this indication of Reagan's apparent moderation, demonstrated by the fact that he only ordered economic sanctions against Libya, came about because at the last moment a growing number of nations refused to cooperate in any form in actions against Libya -- and so in addition to Great Britain, the FRG and Italy, we have none other than Japan, the Netherlands, and Greece. Also, there were the Soviet Union's timely and strong warnings, which left no doubt as to its true strategic objectives.

We would have to reaffirm our view that Reagan seems to have suffered a political, diplomatic, and military failure since he was only able to impose economic sanctions against Libya. Let us keep in mind that in 1981 the Reagan administration imposed an oil embargo against Libya, demanding the support of the United States' Western European allies. However, none of the allies supported Reagan, particularly not the FRG, Great Britain, and Italy. These countries have continued doing lucrative business with the government of Col Mu'ammar al-Qadhdhafi. Business is business [preceding three words in English], oilmen from all over the world say, even those from Esso, Occidental Petroleum, and the Shell Company.

For that reason, regardless of what Israel may or may not do against Libya -- whether or not supported by Reagan -- it does not lessen the significance of Washington's failed threats, which would seem to have as their first result the resignation of the Yankee ambassador in Cairo, Egypt.

ORTEGA WARNS AGAINST DEPLOYMENT OF U.S. FORCES

PA081834 Managua BARRICADA in Spanish 7 Jan 86 p 1

[Text] For the second consecutive day, President Daniel Ortega has warned against a "dangerous atmosphere due to the deployment of U.S. forces in various areas of the world, including Nicaragua."

The president noted the arrival in Honduras today of Admiral William J. Crowe, chairman of the U.S. Joint Chiefs of Staff, who will meet with President Roberto Suazo Cordova and Armed Forces Chief General Walter Lopez. The ranking U.S. militaryman's arrival coincides with the alert announced Sunday by the Nicaraguan president, and the presence of U.S. naval units near the Nicaraguan coast.

Meanwhile, in Honduran territory more than 4,000 U.S. troops are participating in the "Terenico Sierra" maneuvers, which are part of the gigantic military exercises the United States has carried out in this country since 1981, when more than 50,000 Marines began their familiarization with the region's topography.

Meanwhile, President Ronald Reagan will hold a televised news conference via satellite at 1900 Nicaragua time in which -- according to White House sources -- he will attack Nicaragua.

The situation has become alarming with UPI's report last night that the U.S. Government has already supplied the counterrevolutionaries with helicopters. The same dispatch stated that the Somozists are purchasing more surface-to-air missiles with a "private" donation they recently received.

Simultaneous with movements in Central America, the U.S. Administration's continuing its military preparations against Libya, a country that would be attacked by sea and air forces, according to "between the lines" statements by spokesmen in Washington.

HONDURAS' AZCONA INVITES ORTEGA TO INAUGURATION

PA082128 Nicaragua BARRICADA in Spanish 7 Jan 86 p 1

[Text] Honduran President-elect Jose Azcona del Hoyo has invited Nicaraguan President and Commander of the Revolution Daniel Ortega to his inauguration in Tegucigalpa on 27 January.

In one of its parts, the invitation says: "...I want to say that both I and the Honduran people who elected me would be very happy if you, your distinguished wife, and the retinue that you designate honor our country by attending the inauguration ceremony..."

The invitation added: "Given the prestige that you, Mr President, have deservedly won for yourself, your presence in Honduras would afford you and I the opportunity to exchange ideas and begin a personal friendship that would help strengthen the ties that have always united our two peoples, improving efforts for increased peace and democracy in our continent."

BORGE INTERVIEWED ON M-19, RADIO CATOLICA CLOSING

PA090002 Mexico City EL DIA in Spanish 6 Jan 86 p 14

[Part one of report on interview in Managua with Nicaraguan Interior Minister Commander Tomas Borge by newsman Gregorio Selser -- date not given]

[Excerpts] Managua -- During a lengthy interview held at the end of last week in Managua, Commander Tomas Borge, Nicaragua's interior minister, commented on Colombia's request for an explanation regarding Nicaragua's alleged delivery of weapons to the 19 April Movement (M-19) and his attendance at a mass allegedly in tribute to an M-19 leader. Among other topics, he also commented on the closing of Nicaragua's Radio Catolica as a sanction against it for not having joined a national radio network, as current laws require, to broadcast Nicaraguan President Daniel Ortega's New Year's address.

Borge denied that there is any truth to two charges raised by Colombian President Belisario Betancur. Foreign Minister Miguel D'Escoto has already officially presented substantive explanations regarding the first one. As for the second charge, he explained the circumstances surrounding his attendance at a religious service commemorating the first anniversary of the murder of Nicaraguan Commander Enrique Schmidt. During that service, without any warning, or his being aware of it, "someone who claimed to be from the M-19, a group we do not have any ties with, uttered a funeral prayer which now, considering how it has been used, has turned out to be very suggestive because the mass was for a Nicaraguan deputy minister, a very personal and dear friend of mine, who was murdered by the terrorists financed by the U.S. Government."

We asked Borge about a statement by Rev Bismarck Carballo to the effect that his radio station's noncompliance was caused by an "involuntary human error." We also asked him about Cardinal Miguel Obando's comments to AP that the purpose was to punish Radio Catolica in retaliation for having broadcast the pope's letter of 17 December expressing his support to Nicaraguan bishops. Our interviewee replied:

I believe that there is tremendous ill will in these two issues. The pope's letter did not give any instructions or reasons compelling Carballo to not join the radio network on the occasion of the president's New Year address. The pope's letter did not authorize disobeying any government order. Moreover, we do not think that is fair to talk about "a human error" when that radio station has a background of repeated violations of the broadcasting laws. In this particular instance, the station was warned well ahead of time to join the network.

As in all the other previous instances, we are absolutely sure that this was a deliberate act. Perhaps this time they did not think that we would react the way we did because we customarily exercise great flexibility and tolerance, which they have been using to the fullest to constantly challenge the government's decisions.

[Selser] Would you say that this is an example of deliberate provocations?

[Borge] Yes, and also of premeditated challenges. It is not the first time, but we certainly hope it is the last because that would be a specific step toward the improvement of our relations with the ecclesiastical hierarchy. First of all, we demand that they comply with the law. There cannot be two powers in the country; there is only one: the revolutionary and constitutional power. Therefore, whenever the government makes decisions, they must be complied with, independently of the fact that they can be appealed if they are considered arbitrary or unjust. Radio Catolica has frequently disobeyed the decisions adopted by the Communications Media General Directorate in an attitude of true defiance. There have been no human or involuntary mistakes; that would be underestimating them, and we know how clever they are...

[Selser] Does this mean that the government has decided to assume the international cost of the manipulation of this new incident, which was evidently started to add a new incentive to the Reagan administration's propaganda and its psychological war against Nicaragua?

[Borge] We must choose between the principle of authority that must prevail in any orderly country and the political cost of a government measure. A radio station can be closed or suspended anywhere in the world, and this applies to newspapers as well. This happens in democratic Latin American countries and nothing occurs, except for protests from a slanderous organization called IAPA. Other than that, there is no international campaign against the type of government decisions that can be adopted rightfully by the governments of Mexico, Venezuela, Argentina...

[Selser] I am thinking about Reagan's silence about the written and electronic press in Chile...

[Borge] Let's not talk about Chile, because that is the paramount irregularity. Anything that Pinochet the murderer does is wrong.

To a certain extent, it is true that there is ferocious religious persecution, but it is the hierarchy against the progressive priests in our country. Only a few days ago, it was learned that Father Uriel Molina was asked to leave Nicaragua.

This is a flagrant case of religious persecution, and it did not come from the Nicaraguan Government. In reality, except for the cancellation of residence visas for 10 foreign priests who violated the law, we have never arrested or prevented any priest from officiating in a mass -- there are 2,000 weekly masses in Nicaragua -- or placed any obstacles on religious practices. Priests are killed in El Salvador and other countries, such as Honduras and Chile, and no one says a word.

Here, we do not even arrest those priests who violate the law, but, nevertheless, we are presented to the world as religious persecutors.

However, because we do not do that, because we try to overlook the violations as much as possible, and because we do not arrest or kill priests, this is also considered suspicious, and our respect for religion and priests "must be surely to show a false image," to disguise ourselves as sheep, so no one can say that we persecute religion and kill priests. So you see, our respect for religion is also presented as if it were a political tactic.

[Selser] What are the specific forms of religious persecution?

[Borge] There is a political controversy here between Cardinal Obando and the revolution. It is not a religious contradiction or confrontation. We have never contradicted this prelate's theology, nor have we prevented him from officiating a mass or delivering a homily. There were false reports stating that we prevented him from transmitting a mass on television.

FDN, ARDE AGREE TO FIGHT SANDINISTS UNITED

PA081809 San Jose Radio Reloj in Spanish 1200 GMT 8 Jan 86

[Text] In a document issued in San Jose by the Nicaraguan Opposition Unity, UNO, it is stated that on 6 November, in the southern region of Zelaya Department in Nicaragua, the fighters of the Nicaraguan Democratic Force [FDN] and ARDE [Democratic Revolutionary Alliance] have decided to continue the war united.

The FDN and ARDE fighters agreed that only with unity in the north and south, the support of the people, and the necessary logistical support will they be able to win and establish a true democracy in Nicaragua.

Both groups said they will struggle fraternally united to demonstrate that their principles and goals are the same and that they respond to the white and blue flag.

According to the UNO document, the FDN and ARDE fighters will carry out simultaneous operations throughout Nicaragua without creating obstacles for each other. They also committed themselves to respecting ideological principles for the basic purpose of remaining united until the FSLN falls.

The commanders of ARDE and the FDN said this is how those in the battlefields demonstrate their patriotism and leave the political area open so the people may elect their own government leaders without imposition from the armed sector.

CONTRA GROUPS BASED IN VENEZUELA 'DIVIDED'

PA081326 Madrid EFE in Spanish 1719 GMT 7 Jan 86

[Text] Caracas, 7 Jan (EFE) -- The Nicaraguan counterrevolucionaries active in Venezuela are divided, according to the Caracas daily ULTIMAS NOTICIAS today. The paper reports on the operation that has been underway for sometime in Caracas by a "contra" coordinating entity directed by the FDN (Nicaraguan Democratic Force) and the ARDE (Democratic Revolutionary Alliance) sector controlled by Alfonso Robelo. Later, the paper adds, a rival parallel organization appeared known as the "Committee of Democratic Nicaraguans" (CND).

According to the newspaper, both groups are engaged in a battle that has reached critical levels, to the extent that the top counterrevolutionary leaders of Nicaragua may have to travel to Venezuela to try to reconcile them.

ULTIMAS NOTICIAS says the activities carried out by the former group are directed by Audino Diaz, a former National Guard member and former bodyguard of slain dictator Anastasio Somoza, with Indiana Bodan Shields de Koch, daughter of a former National Guard general, and a Nicaraguan woman named Leslie Araya Solorzano. This group, the daily claims, receives $5,000 monthly for operating the office known as "Unica," which is located in a business sector in east Caracas.

ULTIMAS NOTICIAS affirms that the group's mission is to recruit Nicaraguans and Venezuelans, send them to Honduras for training, and contact the leaders of the counter-revolution to get in touch with Venezuelan political leaders.

In this regard, the paper notes that Caracas is often visited by Adolfo Calero, Jaime Chamorro, Enrique Bolanos, Ramiro Guardia, and Alfredo Cesar.

It adds that "Unica" will coordinate the visit to Caracas of Managua Archbishop Cardinal Miguel Obando y Bravo scheduled for this month.

The daily explained that the parallel organization to "Unica" in Venezuela, the CND, is headed by Francisco Oporto, Noel Sosa, Gustavo Mercado, Olivia Padilla Miranda, and a priest surnamed Santi, who was expelled from Nicaragua and acts as counsel for the organization. It adds that the members of the CND carry out activities linked to the Venezuelan parties Democratic Action in power, and COPEI, the Social Christian opposition organization. The CND, according to the newspaper report, is closely related to COPEI through leader Eudoro Gonzalez, head of the group known as "Christians for Peace."

According to ULTIMAS NOTICIAS, in Democratic Action these anti-Sandinists have the party's secretary general, Manuel Penalver, as their main ally.

ALLEGED CIA AGENTS REPORTEDLY POSING AS MINISTERS

PA040447 Managua EL NUEVO DIARIO in Spanish 30 Dec 85 p 5

[Text] CIA agents James Colbert, Pedro L. Padro, and Juan Korszyk pose as ministers and Christian pastors in order to carry out their actitivies in Honduras and Costa Rica. Although they act as pastors, they do not clarify or specify to what sect they belong to.

Their true mission is to gather information and obtain access to various sectors within the population or state organizations in order to attack any popular movement by labeling it communist, and presenting communism as a "perversion that must be suppressed at any cost and by all means." Their work is called "The San Jose Plan," and it includes media sources, religious groups, and the country's security organizations.

According to their own report, the activities performed by the three alleged "Christian pastors" include speeches to the police corps. James Colbert mentioned "one of the assistants of the chief of the Costa Rican Police Corps." He then notes that "his official title is director of the security forces."

This explains the attitude assumed by Colonel Sergio Fernandez of the Intelligence and Security Directorate [DIS] who, with the aid of the local newspapers, particularly LA NACION, has launched slanderous anticommunist campaigns and campaigns against the Nicaraguan Government and revolution. According to reports, the DIS has "discovered" agents trained in Cuba and Nicaragua everywhere, and has even said there are 700 of them. A cheap novel was put together with lie after lie.

Col Fernandez continues his campaign of slanders and lies, and has now introduced the "reverends" so they can coax the policemen with their lies and anti-communist rhetoric. Col Fernandez and those in charge of national security who are involved in this dangerous game are more than happy with the presence of wolves disguised as sheep; in other words, CIA agents pretending to be Christian pastors.

"The Police Chief Made the Arrangements"

In their report, the CIA agents said the security director made the necessary arrangements so Juan could speak to the forces under his command. The "pastors" call their work with the Costa Rican Security Forces crusades.

The necessary material requires "...an appropriate investment in literature and other special tools..." What are the "other special tools"?

Pastors Meet With the Contras

Agents Colbert, Padro, and Korszyk arrived in Costa Rica on 4 February. They said in their report: "We did not have time to adjust to the difference in time because we were immediately taken to Radio Costa Rica (VOA), where we prepared two programs for immediate transmission."

The agents said their first seminar was with a group of pastors: "Many of them assured us that we could count on them to inform and motivate their congregations." The report then added: "One of those present at the seminar was a commander of one of the freedom fighter groups currently fighting against the communists in Nicaragua."

Attempts To Infiltrate the Public Education Ministry

In their report, the agents said that they tried to obtain authorization from the public education minister to distribute copies of the book "Why I am Against Communism" among teachers, professors, and secondary school students. They failed in their attempt. The report said "The minister replied that he had to remain neutral." The "pastors" added that they are currently considering another plan for the book's distribution.

Once Again...

Once again the CIA activities in our country have surfaced. They warn our people about the danger of the "Soviet spies," while they cover up the activities of those who really endanger Costa Rica's sovereignty and democracy, and those who want to make Costa Rica a base for attacks against Nicaragua.

They show no scruples in posing as "Christian pastors" and manipulating national religious feelings to create a story of lies to benefit their plans. The grave part of this all is that there are Costa Ricans who lend themselves to this dirty game, thus corroding the best of what the Costa Rican people are trying to consolidate.

LABOR UNION LEADER ARRESTED BY STATE SECURITY

PA081509 Panama City LA PRENSA (NICARAGUA HOY Supplement 4 Jan 86 p 4C) in Spanish 7 Jan 86

[Text] Managua -- Labor leader Jose Altamirano, assistant secretary general of the Nicaraguan Workers Federation (CTN), has been held by the state security authorities since last 15 December.

Altamirano was arrested at his home in Las Americas No 2 district. Shortly before his capture 20 days ago, two other labor leaders who had been summoned for questioning at the gloomy State Security House No 50 were confined to El Chipote prison cells. They are: Angel Ticay, president of the Lidia Maradiaga Peasants Trade Union, and Emilio Flores, a member of the same organization.

Altamirano has belonged to the CTN since 1971 and distinguished himself as a labor leader in the fight against the former dictatorship. Before his arrest, there had been accusations made about Altamirano in the official media on several occasions. This is a common practice of the Sandinist military military dictatorship, which does this to pave the way for the future arrest of political opponents.

In 1982 the labor leader received a decoration from Venezuelan President Luis Herrera Campins. Altamirano is the father of seven children and his family has claimed it has been threatened.

NUNEZ MEETS WITH NETHERLANDS PARTY LEADER

PA090401 Managua Radio Sandino in Spanish 0000 GMT 9 Jan 86

[Text] Commander of the Revolution Carlos Nunez Tellez, president of the National Congress, met this afternoon with Max van den Berg, chairman of the Labor Party of the Netherlands, who arrived in Managua this morning from Cuba. The following were also present in the working meeting: Deputy Commander Rafael Solis, first secretary of the National Assembly, and Companera Angela Rosa Acevedo, of the International Relations Department of the National Assembly.

The Netherlands Labor leader will hold meetings with Sergio Ramirez Mercado, vice president of the Republic; Bayardo Arce Castano, deputy coordinator of the FSLN Executive Committee and commander of the revolution; and Father Miguel D'Escoto Brockman, minister of foreign affairs.

U.S. ACTS AGAINST LIBYA, PRESSURES NATO ALLIES

FL090208 Havana Television Service in Spanish 0100 GMT 9 Jan 86

[Text] In his declarations to the press where he announced the so-called sanctions against Libya, the U.S. President left open the possibility of a U.S. military aggression against that country if these reprisals do not produce sufficient results for the United States. Commenting today on the blockade planned by Washington, the press noted the injustice of the U.S. act, especially when the Reagan administration imposes state terrorism against small countries like Nicaragua. Addressing its own NATO allies, Washington has not been able to provide any convincing proof in its accusations against the Tripoli government.

In Libya, the official U.S. announcement of the blockade did not affect the normal life of the population. During the last few days the Libyan people approved their decision to defend national sovereignty and continue their anti-imperialistic route in the midst of a threatened Yankee imperialistic intervention, which has not been dismissed.

Freezes Libyan Assets

FL091336 Havana Tele-Rebelde Network in Spanish 1204 GMT 9 Jan 86

[Text] Washington -- President Ronald Reagan has ordered the freezing of Libyan goods and assets in the United States as part of his decision to try to isolate Libya economically and politically. The sanctions are contained in an executive order published by the White House that becomes effective immediately. News sources in the U.S. capital say that hte U.S. chief executive has begun to pressure his European allies to support those measures.

The cooperation of our allies and friends is essential if we are to make Al-Qadhdhafi's regime pay a high price, White House Spokesman Larry Speakes has said. Although many European governments reacted negatively to the call of the U.S. President for them to join the blockade, Speakes said that is was premature to speculate on their final decision and that it is hoped they will respond favorably.

A State Department spokesman said the economic blockade is only a stage of an escalation in which no type of action has been ruled out. In Tripoli, Secretary of Foreign Liaison 'Ali 'Abd al-Salam al-Turayki has affirmed that Libya will continue the political line that has been chosen.

Radio Progreso Comments

FL081344 Havana Radio Progreso Network in Spanish 1200 GMT 8 Jan 86

[Station commentary]

[Text] Last night President Reagan found himself forced to excuse himself publicly. He could not present any proof of the purported Libyan participation in terrorist attacks, which placed in crisis the President's reiterated statements that he had proof that he considered irrefutable. But the lack of proof did not keep the American chief executive from continuing along the path of contradictions and stating that Libyan participation in terrorist acts has been thoroughly documented.

Based on suppositions, Reagan has announced economic measures that include the almost total suspension of economic relations between the United States and Libya, to begin on 1 February. To give new proof of his prepotency, he said that to these economic sanctions could be added other steps, including the possibility of military action against the Libyan people.

During his first press conference of the year, the main occupant of the White House insisted on calling upon the allies of the United States to join in the economic reprisals against Libya but could not help showing pessimism regarding the end result, because the West European governments have already begun to express their rejection of the idea.

Reagan also said that the Americans residing in Libya must return to the United States and threatened those who may refuse to do so. In support of this order, the chief executive referred to supposed threats against the lives of these persons or their possible use as hostages by the Libyan Government. Nevertheless, spokesmen of the 1,000 or 1,500 Americans living in Libya told U.S. television networks that they do not feel threatened in that Arab country. It was reported by the same television networks that all the Americans responded that they are happy living in Libya, and there is no indication that they are willing to return to the United States.

Commentary Defends Libya

FL081605 Havana Tele-Rebelde Network in Spanish 1253 GMT 8 Jan 86

[International commentary by unidentified commentator on the "Morning Review"]

[Text] Last night President Ronald Reagan held a press conference -- his first this year -- and spoke first of the conflict with Libya that the United States has been worsening. With a stroke of his pen, Reagan has decided to use the exceptional powers that the Constitution gives him, he said, to decree a series of measures destined to impose a total rupture of U.S. relations with Libya. Diplomatic relations no longer existed, and economic relations were at their lowest level. Nevertheless, there are about 1,500 workers, expecially oil industry technicians, who have been working in Libya for several years, and they have been ordered to leave that country.

Since 1981 Reagan's campaign has been based on the allegedly terroristic character of Colonel al-Qadhdhafi and of Libya in general. Using all the publicity resources of the U.S. propaganda machine, an attempt has been made to hang a terrorist sign on Col al-Qadhdhafi, but the repetition of the adjectives has to date had very little success.

Although Reagan's plan certainly constitutes a new use of force against the Libyan Government, it is nevertheless basically directed, in our opinion, at pressuring U.S. allies in Europe and other parts of the world, for example Japan. This policy, which aims at the isolation of Libya, is not new; this policy of hostility toward Al-Qadhdhafi is not new either. But it has been completely ignored during the past 5 years by the governments of Western Europe and by the commercial firms of those countries, which have simply taken more into account the possibilities provided by the Libyan market, which is a strong market based on Libyan oil exports.

It is true that relations with the United States were important in the 1960's, but some time has gone by since Libya stopped exporting the 5 billion barrels of oil that it used to export to the United States, and Libya has found a market for these products.

I have said that in our opinion the main part of this new state of Reagan's hostility toward and harassment of Libya is the pressures and threats aimed at its own allies to get them to join the boycott campaign aimed at the Libyan Government. Up to now, reaction has been lukewarm, and in some cases the U.S. position has been rejected. It is very symptomatic that the Austrian Government, speaking through its Minister of Foreign Affairs Leopold Gratz, has denied the existence of any proof confirming Libyan responsibility in the 27 December terrorist attacks at the Rome and Vienna airports, which are being used as a pretext for this new campaign that even attempts to use military force to try to force Libya to submit.

If governments directly affected by those attacks, such as the Austrian and Italian Governments, doubt Reagan's word, one can question the reason for this hostility, this harassment of Libya by the U.S. Government. We could answer in a few words: Since Al-Qadhdhafi led the people's revolution in that north African country -- an immense country with a sea of oil in its subsoil -- more than a decade ago, his mission has been to nationalize the oil riches, to adopt a policy to distribute the riches which have given the Libyan people an opportunity to enjoy their own resources, to establish diplomatic, commercial, and political relations with socialist countries, especially the USSR, and to defend the interests of the countries of the Third World, their solidarity with national liberation movements, and their support for the just causes of this earth. These are the real motives behind Reagan's furious campaign of attacks on the Libyan Government.

CASTRO MEETS WITH NETHERLANDS POLITICIAN

FL081734 Havana Tele-Rebelde Network in Spanish 1205 GMT 8 Jan 86

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the Communist Party of Cuba [PCC], has met with Max van den Berg, chairman of the Labor Party of the Netherlands, Netherlands, who is visiting Cuba at the invitation of the PCC Central Committee. During the conversation, which took place in a friendly atmosphere, diverse aspects of the international situation were discussed -- especially the problem of the foreign debt, which is overwhelming Third World countries -- and aspects of the relations between the two parties and peoples.

ANPP President Receives Legislators

FL081722 Havana Tele-Rebelde Network in Spanish 1205 GMT 8 Jan 86

[Text] A delegation of legislators from the Kingdom of the Netherlands is visiting our country at the invitation of the National Assembly of the People's Government [ANPP]. Flavio Bravo Pardo, Central Committee member and president of the ANPP, welcomed the delegation, which is headed by Dirk Dolman, president of the Second Chamber of Deputies and member of the Democratic Socialist Party.

During their visit to Cuba, the Netherlands legislators will hold official conversations with the leaders of the ANPP and party and state leaders and will tour Granma Province to visit sites of interest.

AMBASSADOR MEETS WITH POLAND'S JARUZELSKI

FL082036 Havana Radio Reloj Network in Spanish 2018 GMT 8 Jan 86

[Text] Poland's highest leader, Wojciech Jaruzelski, met today in Warsaw with Cuban Ambassador to Poland Narcisco Martin Mora Diaz, with whom he discussed topics of bilateral interest for approximately 1 hour.

Official Polish sources informed the PRENSA LATINA news agency that during the meeting with the Cuban diplomatic representative General Jaruzelski conveyed his greetings to Cuba's Political Directorate, especially Commander in Chief Fidel Castro.

HONECKER, STOPH WIRE CASTRO ON ANNIVERSARY

AU021948 East Berlin NEUES DEUTSCHLAND in German 31 Dec 85 p 2

[Text] East Berlin (ND) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Willi Stoph, chairman of the GDR Council of Ministers, sent the following congratulatory telegram to Dr Fidel Castro Ruz, first secretary of the Central Committee of the Cuban Communist Party [PCC], chairman of the State Council and the Council of Ministers of the Republic of Cuba, on the 27th anniversary of the victory of the Revolution on 1 January.

Dear Comrade Fidel Castro:

On the 27th anniversary of the victory of the Revolution we convey to you, the PCC Central Committee, the State Council, and the Council of Ministers, as well as the entire Cuban people, our most cordial congratulations and fraternal militant greetings of the SED Central Committee, the State Council, and the Council of Ministers, as well as the people of the GDR. The day of the victory of the revolution, of the liberation of Cuba, also was the historic starting point for the development of real socialism on the American continent.

Under the tested leadership of the PCC and as an integral part of the community of socialist states, Cuba is determinedly striding ahead in building the material-technical base of socialism and in reliably protecting these achievements. The GDR follows with great interest the preparation for the Third PCC Party Congress, where guidelines will be drawn up, and tasks will be set that already reach into the next century.

After the Geneva summit, our two states, in close affinity and on the basis of the peace strategy of the socialist community, are intensifying our efforts toward making an effective contribution to a change for the better in international relations. This also applies to solving the conflicts in Central America in accordance with the stipulations of international law.

The fraternal alliance between the SED and the PCC, between the governments and peoples of our states, is unshakable. On the basis of the treaty on friendship and cooperation between the GDR and the Republic of Cuba of May 1980, our relations will continue to experience an overall and fruitful development.

Dear Comrade Fidel Castro and the Cuban people, we wish you new great successes from the bottom of our heart in the development of the country. At the same time, we convey our best wishes for good health and creative energy for the year 1986.

CUBA SUGGESTS CEMA RADIO, TELEVISION COOPERATION

FL080356 Havana Radio Reloj Network in Spanish 0307 GMT 8 Jan 86

[Text] Cuba has confirmed that it is prepared to confront all types of radio broadcast and televised aggressions and expand its cooperation in this area with other socialist countries.

Upon speaking at the opening session of a CEMA conference in Budapest for leaders of radio and television institutes, Ismael Gonzalez, Cuban Institute of Radio and Television [ICRT] president [as heard], reiterated the necessity for taking advantage of the possibilities in that area. Gonzalez referred to television programs in general and in particular to the improvement of information services by satellite. The ICRT president reported on Cuban efforts to improve radio and television programs and to strengthen the media from a political and ideological point of view.

ATTORNEY GENERAL REPLACED BY RAMON DE LA CRUZ

FL081316 Havana Radio Progreso Network in Spanish 1200 GMT 8 Jan 86

[Text] The Council of State of the Republic of Cuba, making use of the attributions conferred on it, has agreed to remove Comrade Idalberto Ladron de Guevara Quintana from the post of attorney general of the republic. Comrade Dr Ramon de la Cruz Ochoa has been elected to serve the rest of his term in office.

ESTIMATES SHOW 'BALANCED BUDGET' IN 1985

FL082042 Havana Radio Rebelde Network in Spanish 1800 GMT 8 Jan 86

[Text] One of the most debated aspects regarding various countries' economic policies is a balanced budget as a sign of its soundness. The balanced budget achieved by the Cuban state in 1985 confirms the soundness of the economic policy outlined by the party in December 1984. A balanced budget is the equal correlation which should exist between its income and spending, the same way it happens in a family budget.

According to preliminary estimates, the 1985 budget is expected to show approximately 2 percent more income than planned from contributions of the state sector, especially from net contribution of enterprises' profits. Even though projected high efficiency goals were not fulfilled, results compared to the previous year were improved, producing additional resources for the budget, amounting to over 300 billion pesos. Regular budgeted spending was reduced almost 1 per cent compared to 1984 without affecting the development of basic programs, especially public health, education, and social welfare.

In sum, income and spending behavior shows favorable results, and a surplus of over 100 billion pesos is estimated, surpassing the planned goals of the approved budget.

ARUBA

GOVERNMENT REVERSES OVER 100 APPOINTMENTS

FL081600 Hilversum International Service in English 1030 GMT 8 Jan 86

[Text] The new government in the Antillean island of Aruba has reversed more than 100 political appointments and promotions effected by the former government of Betico Croes. According to Aruban Prime Minister Eaman, sound government would be impossible for these promotions and appointments which were rushed through just before the transfer of power were allowed to stand. Many civil servants who feel (?abused) because they were promised highly paid jobs to lure them have sought legal assistance.

HAITI

GOVERNMENT CLOSES SCHOOLS, WARNS SUBVERSIVES

PA081538 Paris AFP in Spanish 1511 GMT 8 Jan 86

[Text] Port-au-Prince, 8 Jan (AFP) -- The Haitian Government announced today the temporary closing of universities and schools throughout the country, adding that, with support from the civil militias (tonton macoutes), the Army will vigorously suppress any and all unlawful actions against lives and property throughout the national territory.

In a communique issued by the Interior Ministry, the government warned against "subversive actions by harmful elements paid by clandestine movements which do not hesitate to dishonestly manipulate public opinion to create an appropriate climate for their anarchistic activities." It also advised youths "not to play the game of professional provocateurs or allow themselves to be deceived by certain theories that lead to adventurism and chaos."

Antigovernment demonstrations that lasted until yesterday resulted in one dead and three wounded on Monday in Gonaives, Haiti's fourth largest city, 152 km northeast of Port-au-Prince. A student strike affected most of the provincial capitals of this Caribbean nation yesterday.

As an adjunct to the security measures, the authorities announced last night a reduction in the prices of five staple products: namely, milk, sugar, flour, cooking oil, and fuel oil.

Calm Restored

PA090314 Paris AFP in Spanish 0149 GMT 9 Jan 86

[Excerpt] Port-au-Prince, 8 Jan (AFP) -- Calm has been restored in Gonaives, the fourth most important city of Haiti, following the violent demonstrations that took place last night, leaving one dead and three wounded.

As a result of the riots taking place in the last few days, the Haitian Government has decided to temporarily close all schools and has entrusted the Army and the civil militia (tonton macoutes) with repressing "all illegal actions."

IFOPADA CALLS FOR GENERAL STRIKE, REBELLION

PA0813[illegible] Paris AFP in Spanish 1158 GMT 7 Jan 86

[Text] Paris, 7 Jan (AFP) -- The Union of Patriotic and Democratic Forces of Haiti (Ifopada) has appealed for a general strike and rebellion "against the bloody regime" of President Jean-Claude Duvalier, its spokesman in Paris, Serge Gilles, announced today.

In a communique, Ifopada called for "a general strike of all sectors of national life; mobilization throughout Haiti; and the rebellion of the Haitian people against the bloody, corrupt, illegitimate, and antipopular regime, in order to establish a democratic government to safeguard the government." [as received]

In a parallel between Jean-Claude Duvalier, Pieter Botha in South Africa, and Jean Bedel Bokassa, former emperor of Central Africa, three bloody dictators, killers of defenseless communities, Ifopada asked for "the support of all foreign progressive forces and friends of the Haitian people."

According to Gilles, several strikes and uprisings were registered in the past few days in Haitian cities. Reports from Port-au-Prince claim that several thousand persons have been demonstrating since Monday in Gonaives, 152 km from the capital, where the government dispatched military reinforcements by helicopter. On 28 November, 4 people, including 3 students, were killed and 12 were wounded in clashes with the police in that city.

JAMAICA

SEAGA, OFFICIALS TRAVEL TO U.S. FOR IMF TALKS

FL081908 Bridgetown CANA in English 1850 GMT 8 Jan 86

[Text] Kingston, Jamaica, Jan 8, CANA -- Prime Minister Edward Seaga and top Central Bank officials are in Washington apparently talking with the International Monetary Fund (IMF) on the future of Jamaica's programme with the Washington-headquartered institution, economic sources said today. Seaga left here last night for Washington after presenting an interim tax package to parliament, but the official JAMPRESS news agency said only that he was on official business. However, other sources here said that top Central Bank officials, including the governor, Headley Brown, had also gone to the U.S. capital.

Jamaica is seeking a waiver from the IMF to continue its U.S. 115 million dollar 22-month programme, having failed last September's economic performance tests. Jamaica officials were confident that the waiver would be granted because the failure was due largely to the late arrival of a programmed loan from the U.S. The Jamaicans are also seeking softer IMF terms, claiming that although they have fulfilled most conditionalities, including the imposition of tough austerity programmes, the economy was still in trouble, mainly because of international conditions over which the island had no control.

A team from the Fund, the World Bank and the U.S. Agency for International Development (USAID) was here last month reviewing the country's economic performance at Seaga's request. Another team from the World Bank was also recently here looking at Jamaica's implementation of a programme of structural adjustment in exchange for the bank's loans. Seaga has complained that the time frame for carrying out IMF demanded adjustments was too short, putting tremendous pressure on populations, thus killing support for necessary programmes.

COLOMBIA

M-19 LEADER DENIES RECEIVING NICARAGUAN AID

PA081645 Mexico City UNOMASUNO in Spanish 6 Jan 86 p 18

[Text] Coronado Naval Air Station, California [as published], 5 Jan -- Alvaro Fayad, chief of the M-19, has denied that this organization is receiving Sandinist aid for activities carried out in Colombian territory and categorically denied that the rebels who occupied the Palace of Justice in Bogota last November, where 115 people were killed, had Belgian-made rifles.

Fayad also denied that in the past few months that M-19 has had relations with Nicaraguan guerrillas, who allegedly supplied the M-19 with arms in support of the Palace of Justice occupation. Our political intervention, where several companeros were killed, was on our own initiative; we never requested aid or collaboration of any kind, he added.

The members of M-19, who were in U.S. territory, moved up the date of their return home which, as announced at the military base [as published], would be next Wednesday due to reports regarding the possibility of a new eruption of the Nevado del Ruiz volcano.

Alvaro Fayad, Carlos Pizarro, and Gustavo Arias Londono left the San Diego airport aboard a PSA DC-10, declining to comment on statments regarding the solution to problems they discussed during their visit.

PERU

UK MINISTER OF STATE LEAVES FOR COSTA RICA

PY082103 Paris AFP in Spanish 1445 GMT 8 Jan 86

[Text] Lima, 8 Jan (AFP) -- Minister of State of the British Foreign and Commonwealth Office Janet Mary Young today ended her 4-day official visit and left for San Jose, Costa Rica. After visiting Costa Rica she will travel to Mexico and the United States.

Young, who was seen off by Foreign Minister Allan Wagner, briefly noted the cordial ties between the two nations and revealed that this year her government will grant assistance to Peru totaling 1 million pounds.

The Peruvian minister stated that a strengthening of the ties between Great Britain and Peru is the visit's most immediate result. Wagner said that Baroness Young gained first-hand information on the policy pursued by the new government through her meetings with President Alan Garcia, Prime Minister and Economy and Finance Minister Luis Alva, Interior Minister Abel Salinas, and especially the Foreign Ministry.

Wagner stated that Great Britain recognizes the political aspects involved in the foreign debt and shares Peru's belief that the Contadora and Lima Support Group play a decisive role achieving peace in Central America.

In late January, London will send the director of the overseas cooperation program to finalize a program for assistance to Peru. Meanwhile, Wagner will prepare for an official visit to Great Britain in 1986.

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ALFONSIN MEETS U.S. CONGRESSMEN ON FINANCE

PY092157 Buenos Aires BUENOS AIRES HERALD in English 9 Jan 86 p 7

[Text] (NA-DYN) -- President Raul Alfonsin met yesterday with twelve members from the Banking Committe of the U.S House of Representatives and stressed the government considers the Baker Plan is "just a step" towards reaching solutions to the foreign debt problem.

During the meeting, the U.S. group, headed by Democrat John LaFalce, reportedly praised the Austral Plan as an efficient measure which will allow for "internal socio-economic justice as well as economic growth." Speaking to reporters after the meeting, LaFalce said the congressmen came "to see how we can help Argentines build a greater future" and affirmed the Baker Plan is intended to "help create political and socio-economic stability in Third World countries." The congressmen also congratulated Alfonsin on "the way (the government) strives to honour commitments" related to the foreign debt, LaFalce said.

The delegation earlier met with Foreign Minister Dante Caputo and discussed foreign trade, protectionist measures and the foreign debt, as well as the situation in Central America and Argentine nuclear policy.

Meanwhile a group of about 50 U.S. businessmen, government officials and advisors are expected within the next days, including Chase Manhattan Bank president David Rockefeller, who arrives on Saturday and Senator Edward Kennedy who arrives from Brazil on Sunday.

CGT-GOVERNMENT TALKS FAIL; STRIKES THREATENED

PY092327 Buenos Aires BUENOS AIRES HERALD in English 9 Jan 86 p 7

[Except] (NA-DYN) -- CGT-Government talks broke down yesterday when the CGT declared a "full stop" (punto final) to "this dialogue comedy" with the government, describing the administration's anti-inflationary policy as "a failure." In a statemant the CGT said it would use "all the legal means" at its disposal to fight against that programme, clarifying that it had no intention to "overthrow the government" but rather to "promote a change we believe vital for the future of the country." Another paragraph reads: "Six months have been more than enough to show the failure of economic adjustment mechanisms which have done nothing more than intensify misery, paralyze economic productivity, cover-up inflation and consolidate dependency."

The statement continues: "We will not allow the country to be forever strapped to paying interests on an alleged foreign debt, to be forever tied to international speculators who continue carrying off the fruit of our efforts and sacrifice. There will be no solutions," it warns, "as long as the prevailing mentality in the economic ministry dictatorially decrees the impoverishment of workers in order to kowtow to IMF mandates."

Though the CGT all but settled on January 24 for a 24-hour general strike, the labour ministry said the government would await an official annunciation of the strike before determining whether or not to declare it illegal, and several labour fronts began warming up for the nationwide protest.

In a preparatory meeting yesterday, the CGT directive council agreed on waging a nationwide day-long strike on January 24, but said the exact date and duration would be up to a resolution of the secretaries-general plenary to be held tomorrow.

But the protest measures adopted Friday "will carry on," [CGT Secretary General Saul] Ubaldini said, and not be limited to wake hike demands. "The CGT means to get the economy rolling," he added, "wants a policy aimed at full employment, collective bargaining contracts and special consideration for retired workers."

GUGLIELMINETTI, KELLY LEVEL ACCUSATIONS

PY092144 Buenos Aires BUENOS AIRES HERALD in English 9 Jan 86 p 7

[Text] (NA-DYN) -- Judge Juan Carlos Cardinali yesterday granted former presidential bodyguard Raul Guglielminetti permission to leave the country "without any restrictions," giving way to the suspected criminal's request to visit his family in Spain where he will now not be required to present himself to the Spanish courts. The permission extends until the end of the month, and leaves Guglielminetti free to travel without custody. He is expected back in Argentina early February.

"I might leave tomorrow night (for today)", Guglielminetti said after two Spanish court officials arrived yesterday and visited him at home. "I guess if I didn't need a passport to get out of Spain or into Argentina, I don't need one now either," he explained.

In an interview published yesterday by AMBITO FINANCIERO, Guglielminetti again confirmed he is willing to return to Argentina "until the courts verify (evidence) over and over and satisfy the government's need for circus play."

Speaking on Radio del Mundo, he said: "For three days now I have certain knowledge of the person who organized all this," adding that this person, who he claims is behind his extradition from Spain to face charges in connection with the murder of businessman Emilio Naum, works "in a building that deals with relations with the rest of the world." Although Guglielminetti declined to specify whether he referred to the Foreign Ministry, he made clear that Ministry head Dante Caputo is not involved.

While admitting the mystery person "enjoys prestige in the government," Guglielminetti said he "has nothing to do with the Interior Ministry or the Armed Forces," but promised that when he leaves the country it will be clear who that person is.

At the same time rumours hovered around the Paraguayan Embassy last night where an unusually strong security guard led to unconfirmed speculation Guglielminetti might be about to ask for political asylum there.

In a related development, former Nationalist leader Guillermo Patricio Kelly met yesterday with Interior Minister Antonio Troccoli and reportedly discussed Guglielminetti's situation as well as problems concerning democracy and ways to defend it. Speaking later with reporters Kelly charged "Argentine democracy is still walking on the rubble of the military regime, and in the rubble there are always rats like Guglielminetti." Kelly also severely criticized Cardinali's decision to free Guglielminetti and warned of "the difficulties which could arise" from this measure.

Meanwhile Judge Martin Irurzun yesterday urged the Foreign Ministry to speed arrangements for a new extradition of Guglielminetti, in connection with the case investigating the 1977 assault of an employee at the Viacon Exchange Agency in the city.

GOVERNMENT PLANS MEASURES TO COUNTER TIN CRISIS

PY091544 La Paz Cadena Panamericana in Spanish 0000 GMT 9 Jan 86

[Text] The government will adopt measures next week to counter the international tin crisis. A high-level commission of ministers, Vice President Julio Garrett, members of the mining committees of the Senate and the Chamber of Deputies, and representatives of organizations linked with the mining sector met this morning with President Victor Paz Estenssoro. After the meeting, which was held at Government Palace and ended after 1200, Vice President Julio Garrett said.

[Begin Garrett recording] [words indistinct] very brief. We made a serious and responsible analysis of all the problems stemming from the tin price slump and its consequences for the mining sector. I believe the government will adopt some measures over the next few weeks, in accordance with the conclusions of this analysis, to solve the serious situation caused by the drop in tin prices. [end recording]

Mining Minister Sinforoso Cabrera said the meeting dealt with the international tin crisis.

[Begin Cabrera recording] This was a routine meeting called by the president. The council of representatives of the major mining sectors meets on Wednesday to analyze the situation in the mines and to adopt criteria for any adjustments. [pasaage indistinct] (?This) is all we did this morning. [end recording]

COB SEES ARMED STRUGGLE AS 'CORRECT ALTERNATIVE'

PY100141 La Paz Cadena Panamericana in Spanish 0000 GMT 10 Jan 86

[Text] The Bolivian Workers Confederation called a press conference this afternoon to report the results of the miners' meetings. The miners, as anticipated, rejected the government's economic plan. In his capacity as COB Executive Secretary, Juan Lechin Oquendo conducted the press conference. He took the opportunity to harshly attack the government:

[Begin recording] Hunger affects not only the miners, it affects all Bolivian people. Parents know how much money they need to send their children to school. This hunger is being used to facilitate the conversion of this country into a colony. [end recording]

After noting the degree of dependency Bolivia has reached, Lechin Oquendo once again mentioned armed struggle as an alternative for the people:

[Begin recording] Armed struggle is not just a slogan for people who really aspire to live in better conditions and free themselves from the shackles of U.S. imperialism by eliminating indebtedness. This government is doing nothing except increasing the foreign debt, which is already unpayable. So the people have no alternative but to prepare themselves for armed struggle. This is the correct alternative for the people. [end recording]

ARMED FORCES ENDORSE CIVILIAN-MILITARY UNITY

PY092324 La Paz EL DIARIO in Spanish 4 Jan 86 p 3

[Excerpt] The Armed Forces are proposing joint civilian-military actions to find solutions to our country's most pressing problems and to achieve the well-being of the Bolivian people.

The call was made yesterday at Government Palace by Commander in Chief of the Armed Forces General Raul Lopez Leyton, who said the joint effort would help the people achieve a great national goal.

"I seek cooperation, civilian-military unity in an unswerving effort to find solutions jointly to some of the problems that trouble us. We need each other to achieve that great national goal of the well-being of the Bolivian people," Gen Lopez Leyton stated.

Gen Lopez Leyton said the Armed Forces are aware of the important historical role being played by the country. In order for the military to cooperate with the government, some levels of action have been outlined, including civilian-military unity, internal unity among the members of the military institutions, and the preservation of the democratic process.

MILITARY COMMAND ANNOUNCES NEW APPOINTMENTS

PY081254 La Paz EL DIARIO in Spanish 3 Jan 86 p 3

[Text] The Military High Command has ordered the reorganization of the military hierarchy through a new list of postings, which was disclosed to the media. The list follows:

Chief of the Military Household of the President: Colonel Hernan Avila; aides-de-camp: Lieutenant Colonel Luis Claros and Major Jaime Mendoza Ferrufina; (National Security Council) permanent secretary general: Division General Angel Vargas; chief of cabinet: Brigadier General Maria Vargas; aide: Captain Victor Hugo Vera; (National Defense Ministry) national defense secretary: Brigadier General Gerardo Peralta; (Armed Forces Command) Armed Forces inspector general: Division General Gary Prado Salmon; director of the National Higher Studies School: Division General Felix Villarroel; chief of studies: Brigadier General Haroldo Pinto; Army chief of staff: Division General Simon Zubieta; Army inspector general: Brigadier General Mario Oxa; Department I: General Tito Justiniano; Department II: General Javier Pammo; Department III: General Luis Cordero; Department IV: General Gustavo Arrazola; Department V: General Augusto Sanchez; and Department VI: General Edwin Peredo.

Commander of the 1st Army Division: Brigadier General Macario Beltran; 2d Division: Colonel Jorge Salazar; 4th Division: Colonel Jaime Angulo; 7th Division; Brigadier General Hermes Fellman; 8th Division: Brigadier General Jorge Moreira; commander of the Army Command and Staff School: Major Colonel Renato Lopez; commander of the Army Military College: Brigadier General Romulo Mercado.

The following is a list of Army offiers moved to active reserve: General Simon Sejas, Division General Lucio Anez, Division General Raul Ramallo, Division General Elias Gutierrez, Brigadier General Abel Martinez, Brigadier General Iver Antelo, Brigadier General Oscar Flores, and Colonel Victor Lopez.

REAL ESTATE CONFEDERATION OPPOSES COMPULSORY LOAN

PY091539 La Paz Cadena Panamericana in Spanish 1130 GMT 9 Jan 86

[Text] Several sectors oppose the compulsory loan decree. The Confederation of Real Estate owners has stated that its members will not comply with the terms of the decree because it is unconstitutional. Confederation spokesmen have said that they would rather go to jail than comply with the decree.

BRIEFS

PRC MISSION VISITS BENI -- A PRC Foreign Ministry mission of economic and technical studies, made up of Liu He Lin, Yang Xi Xu, Chen Jing Tang, Che Kengi, Xu Xian, and Zhou Hong Tao, has visited Trinidad, Beni Department to contact the regional developments organization and establish the bases for a possible agreement on technical and economic cooperation in productive projects, particularly in the planting of rice and vegetables. [Summary] [La Paz PRESENCIA in Spanish 31 Dec 85 p 5 PY]

DRUG TRAFFICKERS ARRESTED -- Two young Bolivian women were arrested today at Ezeiza International Airport during a joint operation by Customs and Air Force personnel. They were carrying 8.25 kg of pure cocaine tied to their bodies. Their names were not disclosed. [Summary] [Buenos Aires DYN in Spanish 1709 GMT 2 Jan 86 PY]

37 KG OF COCAINE SEIZED -- Bolivian forces for the control and repression of drug production and trafficking have seized 37kg of cocaine in operations in Cochabamba and La Paz during the first 5 days of this year. The most important operations were carried out in the villages of Sinahota and Ibirgarzama in the tropical region of Chapare, and in the El Alto district of La Paz. Six people were arrested in connection with drug trafficking. [Summary] [Paris AFP in Spanish 1230 GMT 7 Jan 86 PY]

GOVERNMENT TO CONTINUE SUPPLYING ARMS TO LIBYA

PY091848 Madrid EFE in Spanish 1647 GMT 9 Jan 86

[Text] Brasilia, 9 Jan (EFE) -- Two days after the United States imposed sanctions on Tripoli, official and diplomatic sources today leaked that Brazil plans to remain one of Libya's main suppliers of weapons and planes.

The Libyan Embassy in Brasilia announced that a commercial and a military mission will come to Brazil to buy more Brazilian products. Ambassador Farage Suaiti announced that a Libyan mission will arrive in February to expand bilateral trade, particularly the purchase of weapons, as well as technology for the iron and steel industry. According to the Libyan diplomat, the Libyan Government wants bilateral trade to reach or surpass $1 billion in 1986.

A military mission is also scheduled to arrive at Sao Jose dos Campos on the outskirts of Sao Paulo, in March. The mission will negotiate the purchase of training planes for an amount that may be as high as $300 million.

Meanwhile, today the Foreign Ministry discreetly confirmed that Brazil does not intend to support the economic sanctions the U.S. Government imposed on Libya 48 hours ago. According to statistical data released today, Brazil ranks third as arms supplier of the Tripoli regime, after the USSR and the EC. According to conservative figures, Brazilian sales to Libya include 300 Cascavel-type wheeled armored vehicles, 100 amphibious vehicles, 100 combat vehicles, and an undetermined number of surface-to-air missiles and Astros II rocket launchers. In 1984, Brazil imported about $9 million worth of Libyan oil.

MILITARY POLICE TO REMOVE TRUCKERS' ROADBLOCKS

PY091725 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 9 Jan 86

[Text] The social and economic damage from the 3-day-old truckers' strike is becoming greater in several states. Even in places where the strike is not being complied with, the cargoes arriving from or leaving for other states are very scarce.

In Espirito Santo State, the roads are obstructed and its capital Vitoria may suffer a supply collapse. There are already shortages of some staples such as milk and farm products.

In Minas Gerais State, more than 2,000 trucks are at a standstill. The shipments within the state have been reduced by 80 percent, and the pickets let no one pass, not even trucks with perishable cargoes. The problem is also affecting the buses and has forced some companies to cancel trips, particularly those along the highway linking Juiz de Fora with Sao Paulo.

In Rio Grande do Sul State, the strike is hardly being complied with, but shipments cannot enter or leave the state. The freight companies have reported that losses are great, although so far they have no means to determine their extent.

In Parana State, the roads are obstructed by double lines of parked trucks, preventing even private cars from passing.

In Salvador, however, the strike ended after the truck drivers held a general assembly. The military police freed the perishable cargoes on the roads of Bahia State, thus weakening the strike by 50 percent.

As a consequence of the strike, the number of passengers on the Sao Paulo-Rio de Janeiro air shuttle service has greatly increased. We have a report by Alzira dos Campos:

[Begin recording] Traffic on the Sao Paulo-Rio de Janeiro President Dutra Highway was paralyzed by the striking truck drivers who blocked the lanes all day yesterday. This paralysis caused many problems for travelers going to Rio de Janeiro, and increased the movement of passengers on the air shuttle service at Congonhas Airport, where extra flights had to be organized. This roadblock is the only one in Sao Paulo State, located 200 km from the capital in the town of Lorena. From this town on it is impossible to go to Rio de Janeiro, and the only choice left is the Rio-Santos highway.

Here in Sao Paulo, the Brazilian Association of Truck Owners and Drivers (ABECAM) has termed this strike eminently political and does not support the movement. [end recording]

In Rio de Janeiro State, the strikers have closed the Dutra Highway with barricades made of tires and ropes, letting only ambulances pass. The demonstrators are inflexible and will only end the strike after their main demands are met. They are requesting observance of the freight rate list, the right to create a national truck owners and drivers union, and exemption from the manufactured goods tax when purchasing new trucks.

The federal government has authorized the use of police forces to remove the obstructions from the roads now blocked by the truckdrivers' pickets. This decision was reached yesterday during an unscheduled meeting President Sarney held with the labor, transportation, justice, and national information ministers, and with the military cabinet. At the end of the meeting, Transportation Minister Affonso Camargo said that the government respects the truckdrivers' strike but will not allow the pickets to prevent normal flow of traffic on the roads. The government's main concern, he said, is that this strike is harassing free traffic on the federal highways and upsetting not only the population but the entire national economy as well. The minister added that the decision to ask for the support of the military police in breaking up the pickets came up because of the inability of the highway police to cope with the situation. The federal highway police, who are responsible for traffic on the federal [words indistinct], do not have enough units to guarantee free traffic movement. Therefore, the federal police in several states asked for the support of the state military police so as to guarantee the freedom of those who want to use the roads, while respecting the freedom of those who want to remain parked.

Now we have a report from Ilde de Oliveira:

[Begin recording] According to Minister Affonso Camargo, the situation is at its worst in Rio de Janeiro, where the military police will also help guarantee the fuel supply.

The talks between the government, the truck owners, and the drivers will continue today. The problem of the freight rate list has now been settled, remaining the problem of unionizing the sector. This problem is more difficult to solve, because Labor Minister Almir Pazzianoto does not agree with the creation of a national truck owners and drivers union. [end recording]

Pazzianoto held a meeting today here in Brasilia with the principal leaders of the truckdrivers, aimed at solving the difficulties created by the strike.

Thus far there is no fuel shortage at any gasoline station in the country, but it may occur within 3 days if the truckdrivers' movement continues. This is the forecast from the Supply Directorate of the National Council for Petroleum.

FINANCE MINISTER SUFFERS CANCER RECURRENCE

PY081558 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 8 Jan 86

[Excerpts] Finance Minister Dilson Funaro has to face another problem besides inflation; he said that a month ago he learned he has cancer. Nevertheless, he insisted that it is nothing serious and with some treatment he will recover without undergoing complicated surgery. The finance minister spoke yesterday with the press about his illness, from which he has suffered in the past and will try to overcome again by working. He said he will not take leave from his post.

Minister Funaro will travel to the United States on 15 January and return on 13 January. After this trip, during which he will meet with IMF officials on the Brazilian economic situation so as to provide them with information for international creditor banks, Minister Funaro will undergo more tests to determine how his cancer is developing.

MINISTRY AWARE OF LIBYAN SUPPORT FOR TERRORISTS

PY092253 Santiago Domestic Service in Spanish 2200 GMT 9 Jan 86

[Text] A news report on assistance from the Libyan Government to Chilean terrorists has not caught Chilean authorities by surprise. Foreign Ministry spokesman Ambassador Pablo Valdes has stated that this report is not surprising because the Chilean Government has twice proven that Chilean terrorists were and are being trained throughout the world, and specifically in Libya.

The report, datelined Washington, states that the Reagan administration has made public a white paper on the connections between Libyan Chief of State Mu'ammar al-Qadhdhafi and international terrorism. In this regard, the U.S. State Department says that Libya has supplied money and weapons to the terrorist groups that seek to overthrow the government of Augusto Pinochet in Chile.

SPANISH LEGISLATORS TO STUDY CHILEAN SITUATION

PY092031 Santiago Domestic Service in Spanish 1630 GMT 9 Jan 86

[Excerpt] A group of Spanish legislators arrived today in Chile to learn about the real situation the country is experiencing. On their arrival at the Santiago International Airport, the Spanish legislators, from various political sectors, said they are visiting Chile to view the present situation objectively, and it is not their intention to interfere with Chilean domestic affairs.

Ciriaco de Vincente, spokesman of the Spanish legislators, said they will stay in Chile until 14 January. During their stay, they will meet with the interior and foreign ministers and with representatives of various political sectors.

BRIEFS

WAR UNDER SECRETARY INSTALLED -- On 19 December, Colonel Sergio Moreno assumed the post of Defense Ministry war under secretary during a ceremony presided over by Vice Admiral Patricio Carvajal, retired. Moreno replaces Brigadier General Renato Fuenzalida Maechel. [Summary] [Santiago LA TERCERA DE LA HORA in Spanish 19 Dec 85 p 17 PY]

AMBASSADOR TO LEBANON -- Florencio Zambrano, new extraordinary and plenipotentiary Chilean ambassador, has presented his credential to Lebanese President Amin al-Jumayyil. [Summary] [Santiago Domestic Service in Spanish 2200 GMT 8 Jan 86 PY]

ARMY ARRESTS THREE FARC LEADERS IN CALI

PA091737 Bogota EL TIEMPO in Spanish 31 Dec 85 p 8 C

[Text] Three leaders from the FARC [Revolutionary Armed Forces of Colombia] Ricardo Franco Front were arrested yesterday in Cali for possession of war materiel, Army sources in Bogota have reported.

Those arrested are known by the aliases Zamir, Omar, and El Primo, and two are second and third in command of that guerrilla organization.

At the time of their arrest they had two Ingram submachineguns, two fragmentation shells, and Ricardo Franco Front administrative and propaganda material.

These people it appears, managed to escape the massacre in Tacueyo for which Javier Delgado has been blamed. Delgado has been placed on trial by the subversive group's top leaders.

Meanwhile, La Capitana, a 15-year-old girl arrested in Siloe, reported that approximately 180 members of the M-19 [19 April Movement] who had been recruited in Valle have deserted the insurgent movement.

Three guerrillas detained at the 3d Infantry Brigade installations in Cali confessed that they fled the M-19 ranks because they did not receive Christmas bonuses.

The girl also reported that at this time there is a massive desertion of the M-19 due to a leadership dispute between Rosemberg Pabon Pabon and Gustavo Arias Londono.

Military sources pointed out that an urban counterguerrilla company from the 3d Infantry Brigade has been following the movements of Ricardo Franco Front leaders, who have been trying to contact cells operating in Cali.

RICARDO FRANCO FRONT GROUP DECRIES EXECUTIONS

PA091333 Bogota EL TIEMPO in Spanish 6 Jan 86 p 3 a

[Communique issued by a "Base Command" of the Ricardo Franco Front in Medellin, dated December 1985]

[Text] Ricardo Franco Front, Base Command.

A few days after our last appeal to the Ricardo Franco Front Secretariat, new events force us to address the bases of the front throughout the country and the organizations of the National Guerrilla Coordinating Board [CNG], because of the genocide that is taking place inside the front, to report the following:

Because of the outrageous statement recently issued by the directorate of the front regarding the discovery and execution of some 150 "enemy agents," the base command denounces to the public, to all revolutionaries, to the Colombian people, this monstrous act that has deprived us of many of our best combatants, of youths who were sincere revolutionaries, because there was never any type of infiltration by the enemy. On Javier Delgado's orders, 130 sincere members of the Ricardo Franco Front have been executed in Cauca. In Medellin more than 30 companeros were vilely murdered, an act the perpetrators attempted to camouflage as the result of a war between mafia gangs.

And in Cali several members of the Valle base command were also killed. All those sacrificed were proven companeros, senior combatants of the highest revolutionary caliber.

We are not, as we could have thought in the past, facing an inept and misguided directorate. We are facing a band of criminals whose murderous acts leads us to ask ourselves: Who are the infiltrators: those killed or their killers? To whom is this genocide objectively advantageous? The truth cannot be obscured with a single finger. We have to face the fact that we have been manipulated by the enemy in our own directorate. This is the terrible fact we have to face today, which opened our eyes and allowed us to see why the Ricardo Franco Front Directorate made so many mistakes and acted with so much despotism and disunity.

It is necessary to take drastic action. For the moment we must expel the criminal gang headed by Javier Delgado and make the base command the Provisional National Directorate until a general assembly of the front makes a decision in this regard.

Similarly, we must ask the CNG to remove Javier Delgado and his henchmen as an elementary measure for the security of the guerrilla organizations of the CNG. Out with the murderers of revolutionaries! Hail the Provisional National Directorate!

Medellin, December 1985

2 FOUND IN COMMON GRAVE IN CAUCA PROVINCE

PA090358 Paris AFP in Spanish 0425 GMT 8 Jan 86

[Text] Bogota, 7 Jan (AFP) -- The discovery of another grave with several corpses was reported today by the authorities of Cauca, a province in southeastern Colombia.

Cauca Secretary of Government Mario Ortiz said that in Pitayo the military authorities found the corpses of a man and a woman with visible signs of torture and knife wounds; however, there seem to be more corpses in the makeshift grave.

As in the case of the 111 corpses found in 35 common graves during the month of December in the hills of Tacueyo and Corinto, also in Cauca Province, it is assumed that the two corpses found in Cauca belong to guerrillas of the Ricardo Franco Front, within which a "purge" has been launched.

In a clandestine communique Javier Delgado, commander of this subversive organization and a dissident of the communist Revolutionary Armed Forces of Colombia, admitted that he had ordered the "execution" of 134 members of the group because it was proved that they were "infiltrators."

MINISTER OPENS DOOR FOR COLORADO RECONCILIATION

PY100115 Asuncion Cerro Cora Sistema Nacional Television in Spanish 2300 GMT 9 Jan 86

[Interview with Interior Minister Sabino Augusto Montanaro by unidentified reporter following opening session of the Council of State in Asuncion 9 January -- recorded]

[Excerpt] [Question] Minister, [Colorado Party Executive Board President] Juan Ramon Chavez has categorically rejected dialogue with expelled members of the Colorado Party. What is your opinion of the situation, especially regarding members of the Colorado Popular Movement [Mopoco]?

[Montanaro] We, in our capacity as Colorado Party officials and members, maintain an open-door policy for party members, those who actively participate, as well as those who have been expelled for some reason. Those who intend to continue to engage in politics must start by coming to party headquarters and requesting an audience with the party executive board president for a discussion of their desire to engage in politics within the Colorado Party. They feel more comfortable, however, with the National Accord, or as allies of our enemies, whom we defeated and against whom they once fought. Some of them fought in the 1947 revolution against these enemies and are now happily reaching agreements and mixing with them.

[Question] Is their return subject to any conditions?

[Montanaro] None at all.

[Question] At first there was talk that they would return one by one.

[Montanaro] No, by no means, there was no talk about their coming one by one, in groups of 5, 10, or more. Those who wish to talk to Mr Chavez should go to the executive board and request to do so.

Colorado Leader Rejects Talks

PY100113 Asuncion ULTIMA HORA in Spanish 9 Jan 86 p 11

[Excerpt] Colorado Party Executive Board President Dr Juan Ramon Chavez this morning categorically denied to this newspaper recent reports that the status of those expelled from the Colorado Party -- now members of the Colorado Popular Movement (Mopoco) -- would be reconsidered by the Colorado Party leadership or that the issue was being discussed at high levels.

The high-ranking political leader emphatically stated: "I have never talked with them. That issue will not be discussed and the reports recently published by the press are untrue. They have never talked with me and they never will."

Chavez stressed that "the reports are all lies," and at no time was the issue discussed. He thus clarified a situation that had been developing recently concerning possibilities that were being read into statements made by some Colorado Party executive board members, such as Dr Pedro Hugo Pena and Dr Adan Godoy Jimenez, the Colorado Party executive board political secretary and vice president, respectively.

GARCIA DESIGNATES NEW AGRICULTURE MINISTER

PY091535 Lima Television Peruana in Spanish 0000 GMT 9 Jan 86

[Text] Deputy Remigio Morales Bermudez was designated the new agriculture minister this afternoon. President Alan Garcia Perez made the announcement today after meeting for approximately 6 hours with outgoing Minister Mario Barturen, the chief of the National Planning Institute, the deputy economy minister, and high-level Agriculture and Economy Ministry officials.

[Begin Garcia recording, in progress] ...so there has been a temporary break. I would say the media have depicted this situation as somewhat worse than it really is. However, this is only temporary, because the economic program has not been discontinued. The current gap between supply and demand is one of the problems that we have inherited and that we have to solve little by little.

Workers changed their consumption habits and started buying chicken, which is the cheapest kind of meat, after salaries were raised by 50 to 60 percent. Now, it takes 50 to 60 days to produce marketable chicken, while it takes only 30 minutes to 1 hour to eat them. Therefore, the supply has not caught up with the growing demand. Pursuing its social objectives, the government has tried to raise the purchasing power of the poorer sectors through temporary jobs and higher minimum salaries. This has caused a temporary maladjustment. But I want to ask the people to keep calm and to have confidence in the government, because this is only a temporary break. Our political and economic objectives remain unchanged, and we will overcome this problem. We have evaluated our stocks and found that our supply will remain at satisfactory levels.

To meet the higher demand in the cities, we must improve agricultural production and raise the income of our peasants, who are the country's poorest sector. This is why I came to the Agriculture Ministry. I had to make some decisions. I want to announce that Deputy Remigio Morales Bermudez, deputy chairman of the bicameral Ways and Means Committee, will succeed outgoing Agricultrue Minister Mario Barturen, who will work as advisor on some Andean agrarian development issues. The new minister will be installed at 1800 tomorrow. [end recording]

BRIEFS

NEW AMBASSADORS APPOINTED -- The Peruvian Government has appointed seven new ambassadors. They are: Carlos Higueras Ramos to Cuba; Alfonso Grados Bertorini to Argentina; Luis Machiaviallo to Japan; Enrique Rivera Velez to Costa Rica; Carlos Raffo Dasso to Great Britain; Armando Lecaros de Cossio to Nicaragua; and Maria Zalazar Castellanos to Poland. All the appointments have been approved by the Senate. [Summary] [Paris AFP in Spanish 1826 GMT 28 Dec 85 PY]

SENATE CONDEMNS SOVIET MILITARISM IN AFGHANISTAN

PY091720 Paris AFP in Spanish 1258 GMT 9 Jan 86

[Text] Montevideo, 9 Jan (AFP) -- The Uruguayan Senate last night harshly condemned the Soviet military intervention in Afghanistan on the 6th anniversary of its invasion by Soviet troops. In a statement, the Senate reasserted its support for unrestricted respect for the principles of self-determination and nonintervention, as well as its solidarity with the right of all peoples to freely choose their political system, without the presence of foreign troops or other forms of oppression or dependency.

The statement of condemnation was supported by the majority of senators, including several who belong to the leftist Broad Front coalition, but was not supported by two senators who belong to the Advanced Democracy group, headed by the pro-Soviet Communist Party.

COMMUNIST PARTY MEETING ENDS; LEADERS ELECTED

PY092204 Montevideo LA HORA in Spanish 23 Dec 85 p 3

[Text] After listening to the closing speech by Rodney Arismendi, delegates to the National Conference of the Uruguayan Communist Party [PCU], in their final activity, elected the members of the PCU Central Committee [C.C.] The election was chaired by Jorge Mazzarovich who read out the list of candidates proposed by the candidates' commission. He also explained the general criteria the commission followed to select the candidates. The list of candidates proposed by the commission includes members elected in the XXth Congress, the cadre admitted during the struggle against dictatorship, the comrades invited to C.C. meetings since last March, and some other members who will participate in this National Conference. The voting took place afterwards and each name was voted on individually. Most candidates were elected unanimously.

An emotional episode took place when, at the suggestion of a delegate, the assembly approved with a standing ovation the inclusion on the C.C. two missing comrades: Eduardo Bleier and Oscar Tassino.

The new C.C. met shortly after the election. One of its first decisions was to appoint Rodney Arismendi as secretary general, and Jaime Perez as deputy secretary general. The C.C. then appointed new executive committee members (as well as alternate members) and the secretariat members. The new C.C. members then went to the stage and received an ovation from the delegates. The appointments were read out, and touching scenes took place with embraces and songs. The Internationale was sung, and Jorge Mazzarovich presided over the closing of the National PCU Conference at 1620.

The following are the acting members of the Executive Committee: Rodney Arismendi, Jaime Perez, Jose Luis Massera, Enrique Rodriguez, Leopoldo Bruera, Rosario Pietrarroia, Eduardo Viera, Pedro Toledo, Leon Lev, Ramon Cabrera, Alberto Altesor, Daniel Baldasari, Felix Diaz, Jorge Mazzarovich, Thelman Borges, and Esteban Valenti. Executive Committee alternate members include: Juan Angel Toledo, Geza Stary, Aldo Lista, and Andres Toriani. Central Committee Secretariat members are: Rodney Arismendi, secretary general; Jaime Perez, assistant secretary general; Alberto Altesor; Felix Diaz; Thelman Borges; Esteban Valenti; Leopoldo Bruera; Leon Lev; and Ramon Cabrera.

LUSINCHI BIDS FAREWELL TO OUTGOING CABINET

PA091845 Caracas Television Service in Spanish 1712 GMT 9 Jan 86

[Speech By President Jaime Lusinchi at the ceremony to swear in the new state ministers and governors at Miraflores Palace -- live]

[Text] Although it is not customary in such cases, reasons of the heart and mind compel me to say a few words during this ceremony. A reshuffle in the cabinet or in the state governors does not mean that a certain or different assessment was made regarding the outgoing ministers and governors and those who remain. In good part, and as is often the case, this change was prompted by subtle reasons of public opinion and by adjustments in the government team and orientation deemed necessary. It was also prompted by views that may very well be construed as abstract, but which are in turn prompted by other abstract yet compelling, decisive reasons usually known as reasons of state.

It is hard to make a decision such as this one, when one has worked with persons of the highest intellectual quality and merit as citizens. However, the administration of politics is sometimes merciless and has precedence over reasons of the heart. For instance, to have to part with men and women such as Milena Sardi de Selle, Juancho [Juan Francisco] Otaola, Ignacio Iribarren, Carlos Rafael Silva, Rafael Martin Guedez, members of my cabinet, and the distinguished governors who now leave their posts is indeed a very difficult decision. As I welcome and thank the new persons who will now occupy the positions they left and also thank those who decided to remain in my cabinet, I want to pay a very, very sincere tribute, as president of the Republic and a human being, to the distinguished Venezuelan citizens who accompanied me during very hard times in handling a situation which, needless to say, is complex and demanding.

I would like to say that I have tried to give my government a collective sense and that as head of state I accept full responsibility for the policies that have been implemented and that will be implemented. Therefore, the views by those who seek contrived [converido] headlines to make personal accusations regarding policies that were collective can only be labeled as ill-intentioned. In my specific case, these policies are part of a government plan and stem from deep reasons of state in view of the country's very special situation. I wanted to say this because I feel that I must immediately define things precisely, and reaffirm my responsibility as head of state in handling the state's affairs.

I am indebted to these distinguished and very generous friends who are here showing once again the extent of their ties to me and to the country. I know that I will be able to call on them. I have already called on them to consider certain proposals so that they may continue to assist me in the difficult task of achieving a path to progress, strengthened liberty, and the participative and generous democracy this country has always longed for and which we, Venezuelans of this generation and those to come, are committed to achieve. Thank you very much. [applause]

DECREES APPOINTING CABINET, STATE MINISTERS READ

Cabinet Announced

PA092051 Caracas Television Service in Spanish 1646 GMT 9 Jan 86

[Decree No 976 issued by President Jaime Lusinchi on 8 January -- read by the secretary of the Council of Ministers]

[Text] Republic of Venezuela
Presidential Office
Decree No 976

In accordance with the second duty stated in Article 190 of the Constitution, I decree:

Article 1: I accept the resignation which the ministers submitted to me on 8 January 1986.

Article 2: I appoint:

Interior Affairs Minister	Octavio Lepage
Foreign Relations Minister	Simon Alberto Consalvi
Finance Minister	Manuel Azpurua Arreaza
Defense Minister	Real Admiral Andres Eduardo Brito Martinez
Development Minister	Jose Angel Ciliberto
Education Minister	Luis Manuel Carbonell
Health and Social Welfare Minister	Otto Hernandez Pieretti
Agriculture and Livestock Minister	Felipe Gomez Alvarez
Labor Minister	Simon Antoni Pavan
Transport and Communications Minister	Juan Pedro Del Moral
Justice Minister	Jose Manzo Gonzalez
Energy and Mines Minister	Arturo Hernandez Grisanti
Environmental and Natural Renewable Resources Minister	Guillermo Colmenares Fimol
Urban Development Minister	Cesar Quintana
Youth Minister	Virginia Olivo de Celli
Minister of the Secretariat of the Presidency	Carmelo Lauria Lesseur

Issued in Caracas on 8 January 1986, the 175th anniversary of the Independence and the 126th anniversary of the Federation. [Signed] Jaime Lusinchi

Ministers of State Named

PA092211 Caracas Television Service in Spanish 1646 GMT 8 Jan 86

[Decree No 977 issued by President Jaime Lusinchi in Caracas on 8 January 1986 -- read by unidentified announcer]

[Text] Decree No 977

According to Article 190, Paragraph 2, and Article 194 of the Constitution, and in agreement with Article 3 of the central administration's organic law, I, Jaime Lusinchi, president of the Republic, hereby decree:

Article 1. I accept the resignation presented to me by the ministers of state on 8 January 1986.

Article 2. I hereby appoint Leopoldo Carneval minister of state and head of the Office of Coordination and Planning of the presidency. I appoint Hector Hurtado minister of state and president of the Venezuelan Investment Fund. I appoint Paulina Gamus minister of state and chairman of the National Culture Council. I appoint Tulio Arends minister of state for science and technology and president of the National Council for Scientific and Technological Research. I appoint Leopoldo Sucre Figarella minister of state and president of the Venezuelan Corporation of Guayana. He is also to coordinate the state enterprises under the jurisdiction of the corporation.

Caracas, 8 January 1986, 175th year of our Independence and 126th year of our Federation [Signed] Jaime Lusinchi

Anzola Designated as Advisor

PA092212 Caracas Television Service in Spanish 1646 GMT 8 Jan 86

[Decree No 978 issued by President Jaime Lushinchi in Caracas on 8 January 1986 -- read by unidentified announcer]

[Text] Decree No 978

According to Article 190, Paragraph 2, and Article 194 of the Constitution, and in agreement with Article 3 of the central administration's organic law, I, Jaime Lusinchi president of the republic, hereby decree:

Article 1. I hereby designate Hernan Anzola Jimenez minister of state.

Article 2. The minister of state designated will advise the president of the Republic in the development, organization, and supervision of the basic production of the country's goods and services and in the coordination and supervision of state enterprises and the government programs indicated by the government.

Caracas, 8 January 1986, 175th year of our Independence and 126th year of our Federation
[Signed] Jaime Lusinchi

REAGAN-DE LA MADRID MEETING DEEMED 'POSITIVE'

PA091721 Mexico EXCELSIOR in Spanish 6 Jan 86 p 6 A

[Editorial: "Positive Assessment"]

[Text] The positive assessment of the De la Madrid-Reagan meeting in Mexicali, 1986's first major event, does not rule out serious current and future perils stemming from the problems caused by our closeness to the most powerful country on earth.

The visitor's courteous and amiable attitude and the Mexican leader's flawless dignity endowed this meeting of values with a solemnity that enhances our relations and diplomacy.

The meeting was good, perhaps the best these two figures have had and one of the most positive held by the leader of one country visiting another. That seems indisputable. In such difficult moments for the Mexican economy and our government finances, the Mexican president's stance provides a proud example as well as a solid reason for Mexicans to feel assured at the start of a year rightly feared for its inflationary beginnings and for the conflicting aftermath of adverse natural phenomena.

The Central American problem, which is very important to us, no longer served to deepen our differences with the United States, but rather brought President Reagan closer to the possibility of listening to the Latin American viewpoint. It is no easy task to make him forsake his radical stance, prompted by the interests at stake for that nation's capital rather than ideological reasons. However, we were able to maintain a stance based on our history and our interests as an independent country which views its ability to make its own decisions and its respect for others as an unyielding commitment to be respected by others.

Regarding international issues, all the right issues were discussed, whether regarding the world's general outlook or our coexistence as bordering countries. The banner of an honest friendship was hoisted.

USSR UN ENVOY VISITS, CONDEMNS TERRORISM

FL100106 Mexico City NOTIMEX in Spanish 0005 GMT 10 Jan 86

[Text] Mexico City, 9 Jan (NOTIMEX) -- USSR Ambassador to the United Nations Alexandrovich Troyanovskiy demanded today the international community's support for the 1984 UN resolution restraining terrorism everywhere. He said that at the last UN meeting his country and Mexico spoke against these types of acts, as well as the arms race, in order to achieve true world peace.

Upon his arrival in Mexico City on a private visit, the Soviet diplomat stressed the work done by the USSR and Mexico at international forums to struggle against international terrorism that threatens the lives of innocent people.

Questioned about the U.S. economic blockade of Libya, the Soviet representative said his country has always been against terrorist acts that some countries practice and that state terrorism is the most dangerous in a series of isolated instances, since it tries to destabilize a country.

Troyanovskiy stressed that the USSR and Mexico have always been cooperative at the diplomatic level, and proof of this is that the two countries always support each other's positions at the United Nations.

FOREIGN SECRETARY MEETS WITH EEC AMBASSADORS

FL091904 Mexico City NOTIMEX in Spanish 0345 GMT 9 Jan 86

[Text] Mexico City, 8 Jan (NOTIMEX) -- Today Mexican Foreign Secretary Bernardo Sepulveda and the 12 ambassadors who represent the EEC studied the objective of the coming meeting of the Contadora Group and the difficult Central American situation. At the meeting, which was held at the Secretariat of Foreign Relations, they studied such subjects as the confrontation between the United States and Nicaragua, economic problems affecting the Central American region, and the participation of the EEC in the area in the near future.

Foreign Secretary Sepulveda also discussed his recent meeting in Mexicali with U.S. President Ronald Reagan.

During the meeting, the EEC representatives discussed the main conflicts and obstacles they observed in Central America and expressed their opinions of what urgent measures must be taken. They expressed satisfaction at the fact that although the signing of the Contadora peace document has been postponed, the meetings of foreign ministers with the Support Group are continuing, which demonstrates the permanent desire for peace.

SALVADORAN AMBASSADOR ON TERRORISM, CONTADORA

FL090430 Mexico City NOTIMEX in Spanish 0230 GMT 9 Jan 86

[Text] Mexico City, 8 Jan (NOTIMEX) -- Salvadoran Ambassador to Mexico Sigfrido Munes said today that terrorist infiltration in Latin America exists, and the proof can be found in the recent acts in Colombia, Peru, and other nations. He said many governments do not call these acts in Latin America terrorism. For example, kidnappings and communications sabotage cannot be classified within a social struggle, since their main objective is extortion.

Interviewed at the Mexico City Airport before returning to San Salvador, where he will meet with authorities from his country, the Central American diplomat urged Latin American governments to unite in a common front to maintain law and social stability, because acts of terrorism expand and are dangerously scattered day by day over the entire area.

In reference to the Central American problem, Sigfrido Munes expressed his government's desire that the peace act be signed and supported at the next meeting of the Contadora Group in Caracas, Venezuela. I hope, he continued, that at that meeting the Contadora Group will be rightfully judged and will use all its potential and good faith.

In reference to the March for Peace in Central America, the Salvadoran ambassador said that if some countries have not allowed their entrance it is for security reasons, since some territories are experiencing war, which is very dangerous for a group of strangers.

U.S. CONGRESSMEN ACCUSED OF LOCAL MEDDLING

PA092215 Panama City MATUTINO in Spanish 8 Jan 86 pp 9 B, 12 B

[Article by Roberto R. Rodriguez]

[Text] The 13 U.S. Congressmen who tried to meddle in the country's domestic affairs last week were apparently the same ones, who, years ago, before the Torrijos-Carter Treaties were in effect, asked the U.S. Congress' permission to come here under the pretext of supervising their government's agencies abroad, with all their expenses paid by Pan-Canal [the then Panama Canal Company].

In the United States this is the season when the cold weather numbs all Americans, so they like to travel to tropical countries like Panama and the Caribbean to enjoy the beaches and scenery of the region.

We have learned from very knowledgeable sources about such trips that this time local Panamanian politicians paid all the congressmen's expenses. This was part of a campaign to discredit Panama, in order to distort the Panamanian reality.

Such campaigns, as is already known, are intended to undermine the national government, to criticize it, and to blame it for the socioeconomic situation, as if the current leaders and not the current world crisis were at fault.

In short, their objective is to tarnish the Panamanian Government's efforts to continue to provide social justice and subject the government to "blackmail," so that it will knuckle under without dignity.

Likewise, some of the congressmen who used to come to Panama with their expenses paid by Pan-Canal were seen on some of our country's beaches, enjoying the sun's rays that are absent in the great northern country during this season.

The meddling of the congressmen in Panama's domestic affairs was described by a legislator as similar to having the owner of a farm return from the city and call the overseers to account. These actions have been totally frowned upon by important sectors of opinion, which describe them as a vulgar and irreparable insult to Panama's sovereignty.

PRD PRESIDENT FORESEES NO CABINET CHANGES

PA081241 Panama City Circuito RPC Television in Spanish 1730 GMT 7 Jan 86

[Text] No changes are expected in President Eric Arturo Delvalle's cabinet, it was asserted this morning by PRD [Democratic Revolutionary Party] President Romulo Escobar Bethancourt.

[Begin recording] [Bethancourt] We have held several meetings with the president of the republic during the last few days, and we never talked about changes in the cabinet. This does not currently represent a priority for the PRD. In addition, President Delvalle's government has been in office for a short time. It is necessary to unite our efforts and seek a policy that solves the various problems in the country. In our opinion, this is more important for the PRD than any changes in the cabinet. Consequently, I can assert that we have not discussed the possibility of making changes in the cabinet with the president, and the PRD has not asked him to make any changes.

[Unidentified reporter] Is there any contradiction between what is proposed by the PRD and what President Delvalle has said?

[Bethancourt] No, there is no contradiction. We understood that the president's message was optimistic and sought to renew the people's hopes and faith that their government is interested in solving their problems, particularly their economic problems. Our party agrees with this, and the letter we sent him includes several proposals to solve the various problems in the country, particularly the economic problem. [end recording]

Opposition Creating Unrest

PA091916 Panama City Televisora Nacional in Spanish 0000 GMT 9 Jan 86

[Text] Romulo Bethancourt, president of the Democratic Revolutionary Party [PRD], has charged that opposition leaders are spearheading a seditious campaign to create a climate of anxiety and instability in the country.

[Begin recording] This campaign is being directed by certain people, specifically by Dr Ricardo Arias Calderon and Mr I. Roberto Eisenmann. They are the directors of a campaign that includes efforts to create financial panic, allegations that the country is bankrupt, and statements aimed at confusing public opinion. All this is aimed at achieving something they boast about. They are prepared to lead this country even into bankruptcy in order to get rid of what they call the military elite.

The PRD is on the alert against this conspiracy. As a matter of fact, one of the decisions reached yesterday at the PRD Political Commission was to close ranks with the Defense Forces, the UNADE [National Democratic Union] parties, and the president of the republic in order to confront this new conspiracy. [end recording]

BRIEFS

NEW AMBASSADOR TO TAIWAN -- Aurelio Chu-Yi has been appointed Panamanian ambassador to Taiwan, replacing Major Jose Maria Serrano, who resigned and will return to the country. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 4 Jan 86 p A 4 PA]

NEW BOLIVIAN AMBASSADOR -- Jaime Ramirez Moralez has presented his credentials to Bolivian President Victor Paz Estenssoro. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 5 Jan 86 p A 2 PA]

NEW ELECTORAL TRIBUNAL MAGISTRATE -- Luis Chen, a well-known lawyer, has been appointed magistrate to the Electoral Tribunal, replacing Carlos Villalaz. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 4 Jan 86 p A 4 PA]

COSTA RICA

MONGE AGREES TO ATTEND AZCONA INAUGURATION

PA091932 San Jose Radio Reloj in Spanish 1200 GMT 9 Jan 86

[Text] A top-level delegation of the newly-elected Honduran administration, headed by Vice President Alfredo Fortin, arrived in the country yesterday to invite President Monge to attend the inauguration of President-elect Jose Azcona del Hoyo. This delegation is made up of Carlos Montoya, William Homes, Antonio Ortiz, Oscar Melada, and Rigoberto Lopez Duaran. They met with the president, presidential candidates Oscar Arias and Rafael Angel Calderon, and with other national leaders. Monge told the delegation members he will attend Azcona's inauguration on 27 January.

GUATEMALA

NEW CEREZO CABINET; C. AMERICAN PRESIDENTS TO MEET

PA092210 Panama City ACAN in Spanish 2135 GMT 9 Jan 86

[By Alberto Flores]

[Text] Guatemala City, 9 Jan (ACAN-EFE) -- The president-elect of Guatemala, Christian Democrat Vinicio Cerezo, announced today the list of his future cabinet members, a "team of professionals" who have no links with any group.

Cerezo asserted during a news conference that the appointment of these new ministers is the first success of his "national coordination" policy, in which the president will merely be the coordinator of an overall effort to develop the country and seek peace.

The list of cabinet members, who will be sworn in on 14 January, is as follows:

Defense	General Jaime Hernandez
Foreign Relations	Mario Quinonez Amezquita
Government	Juan Jose Rodil
Economy	Lizardo Sosa
Development	Rene de Leon Schlotter
Finance	Rodolfo Paiz
Labor and Social Welfare	Catalina Soberanis
Agriculture	Rodolfo Estrada
Energy and Mines	Ronaldo Castillo Contoux
Communications and Public Works	Eduardo Goyzueta
Education	Eduardo Meyer
Public Health	Carlos Armanto Soto
Culture and Sports	Elmar Rene Rojas

Colonel Roberto Matta Galvez and General Hector Gramajo were appointed chiefs of the presidential staff and national defense, respectively.

Vinicio Cerezo asserted during the news conference that his foreign policy will be based on two points: noninterference by countries in each others' internal affairs, which guarantees mutual respect; and the search for a consolidation of peace in the Central American area.

Cerezo Arevalo announced that on Wednesday, 15 January, 1 day after assuming his post, he will meet with the presidents of Central America and Panama. Cerezo will do so with the intent of reactivating the Contadora process, and to start -- at the highest level -- efforts to establish the Central American parliament.

The president-elect explained his intension of contacting other democratic Latin American governments to achieve an overall negotiation of the foreign debt because he thinks this must include resources that permit the start of development programs.

Referring to the topic of refugees and exiled people, Cerezo said he has already begun the first contact with Mexico, the International Red Cross, and other organizations in order to create the necessary conditions for Guatemalans who desire to return to do so. Vinicio Cerezo said that the only condition for any Guatemalan who wishes to return is that he must be willing to respect and work for democracy in the country.

HONDURAS

SUAZO SAYS CURRENCY WILL NOT BE DEVALUED

PA091604 Tegucigalpa Voz de Honduras Network in Spanish 1711 GMT 8 Jan 86

[Speech by President Roberto Suazo Cordova at a ceremony held in his honor by members of his cabinet at the Presidency on 8 January 1986 -- recorded]

[Excerpt] I know that I have ruled the country during a time that was perhaps the most difficult in our homeland's history, particularly because of the economic crisis was have had to face as a result of the world's economic recession. We have had an unfavorable balance of payments and have confronted many problems. However, we have had great collaborators in each and every one of the secretaries of state, the under secretaries, and the president and vice president of Banadesa [National Agricultural Development Bank]. I must make special mention of the Central Bank, since [words indistinct]. They have taken drastic measures to prevent the devaluation of our currency. I believe that the Honduran people must recognize the efforts made by the authorities of the Central Bank, who have been harshly criticized for the measures adopted. However, I believe they were fundamental in order to maintain the parity of the lempira.

I do feel that the latest statements to the press and radio by the members of the cabinet in charge of economic affairs -- who are meeting this morning -- will serve to clarify their position once and for all and refute yesterday's statements, which have been distorted to some extent, by some members of the private enterprises sector with whom we have held discussions.

We have felt, and continue to feel, that we have complied with all of the established requirements. The only matter left pending is the bill on the customs tariff. We complied by sending it to Congress, but the private sector asked that discussion on it to be postponed for [words indistinct] months.

The Honduran people know that we have acted with utmost honesty and dignity. We could have perfectly well accepted all conditions, but this would have spelled disaster for the government that will be inaugurated on 27 January. I think that, as a result of our position, the USAID, the World Bank, and IDB will make public statements that will strengthen the new government and prevent the Honduran currency from being devalued.

This will be one of our greatest achievements or, better put, the foundations we will leave to you [words indistinct] members of the cabinet to prevent our currency from being devalued.

We would have accepted just any condition if we had been acting in bad faith. However, with a parallel market the lempira would have probably been devalued next year. We feel that the position we have adopted recently -- with which we think the Honduran people concur -- will make you realize that things were the way we said.

My conscience is clear. As I have said before, I am fulfilling my duty and will do so up to the last minute. Thanks to God, the Honduran people, and the Armed Forces' backing, I am completing my constitutional term. I told you in a previous speech that one of President Suazo Cordova's greatest satisfactions as a member of the Liberal Party is that the presidential sash I wear proudly because it was given to me by the Honduran people will be passed on to a friend and fellow party member, Jose Azcona del Hoyo, who will be our constitutional president after 27 January.

I also told you -- and I think this is perfectly justified -- that this is further proof that the Liberal Party suffered no erosion while in power because if it had suffered any attrition we would have lost the elections.

NICARAGUAN PLANE TO BE RETURNED; PILOT DEFECTING

PA100001 Panama City ACAN in Spanish 2336 GMT 9 Jan 86

[Excerpt] Tegucigalpa, 9 Jan (ACAN-EFE) -- The Honduran Government today stated its decision to return a cargo airplane to Nicaragua, but not the pilot who deserted and brought it to this capital. According to the Honduran Government, "the appropriate contacts were made with the Nicaraguan Embassy in Tegucigalpa in order to make the necessary arrangements to return the aircraft."

Referring to the pilot, Salvador Blanco Silva, it was indicated that the Honduran Government is studying his request for political asylum or the possibility of sending him to a third country that accepts him a possibility under international law.

In addition, the Honduran Government rejected Nicaragua's statements that the former is encouraging Nicaraguan officials and soldiers to desert to its territory by offering protection.

A note from Honduran Foreign Secretary Edgardo Paz Barnica to his Nicaraguan counterpart, Miguel D'Escoto, said: "We consider unacceptable what is stated in your protest note on this case and other similar ones because it is inaccurate." Paz Barnica's message asserted that the statement is inaccurate "because Honduras, like other countries in Europe [as received], limits itself to accepting those citizens who voluntarily -- many times risking their lives -- decide to abandon their countries of origin."

AZCONA MEETS WITH U.S. JOINT CHIEFS CHAIRMAN

PA090449 San Pedro Sula TIEMPO in Spanish 8 Jan 86 p 3

[Excerpt] Tegucigalpa -- President-elect Jose Azcona del Hoyo met Admiral William J. Crowe, chairman of the U.S. Joint Chiefs of Staff, at the U.S. Embassy in Tegucigalpa, but no information was given about their meeting.

Azcona del Hoyo met with the top-level U.S. military leader and Ambassador John Arthur Ferch early in the morning during a breakfast at the diplomatic mission. President-elect Azcona was accompanied to the meeting by Presidential designate Jaime Rosenthal Oliva, Alfredo Fortin, Jorge Maradiaga, Carlos Montoya, and Celeo Arias Moncada.

Carlos Montoya said Crowe's visit to Tegucigalpa "honors our country." He added that it is "an act of solidarity, rapprochment, respect, and esteem for Honduran democracy."

The politician said that the U.S. diplomats and military officer "stated their interest in continuing to fully cooperate with Honduras, both in its economic development and military strengthening." Montoya asserted: "Nothing, absolutely nothing was discussed concerning the presence of counterrevolutionaries in Honduras. It was a fraternal meeting to state U.S. support for the new government and maintain cooperation between the two countries."

AZCONA ON CURRENCY DEVALUATION, U.S. PRESENCE

PA091338 San Pedro Sula TIEMPO in Spanish 8 Jan 86 p 3

[Text] Tegucigalpa -- "The United States has not told Honduras to devalue its currency," Honduran president-elect Jose Azcona del Hoyo said yesterday. Azcona said that "Central America's current situation, Honduras' economic situation, and everything that is customarily discussed in meetins like this" was covered during his meeting with Admiral William J. Crowe, chairman of the U.S. Joint Chiefs of Staff.

Asked by a reporter whether he will negotiate the United States' military presence in Honduras, Azcona said: "I am not speaking of negotiating anything."

"The U.S. military presence in Honduras goes back to 1954. It is nothing new," said Azcona, recalling the fact that the Honduran National Congress has pending for discussion annex protocols to the treaty for military assistance with the United States which "it must examine, approve, or reject. We will abide by the Congress' decision," he stated.

"We will continue what the Suazo Cordova administration has done in connection with U.S. military assistance," he indicated.

Asked whether the aid would arrive in exchange for allowing the passage of U.S. materiel to the contras, Azcona replied: "No condition has been asked of me nor have we entered into any negotiation because I am not the president of Honduras yet. I am still the president-elect and I command no authority at this time."

In response to presistent questions on whether he will accept conditions like those in exchange for U.S. economic assistance to prevent a devaluation, the president-elect said: The United States has not told Honduras to devalue its currency." "The United States has discussed with us the need to implement certain measures to clean up the economy and Honduras can accept or reject those recommendations," he explained.

Azcona announced that during his coming visit to Washington he will set forth to the Reagan administration his government's position on the Central American problem and the Honduran economic situation.

COHEP PRESIDENT SAYS AID NEVER EXERTED PRESSURE

PA091718 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 8 Jan 86

[Interview with Dr Jorge Gomez Andino, president of the Honduran Council for Higher Enterprise, COHEP, by unidentified reporter; date and place not given -- recorded, broadcast in progress]

[Text] [Gomez] ... Our concern over the problem of an apparent clash between the AID and the government. This morning we met with AID to discuss our viewpoints. We also met today with the economic cabinet. It happens that there is no problem; there was a breakdown in communication. Everything has been resolved. We are working to solve this problem. I think AID and the economic cabinet are clear on this now. There is no problem. There is no devaluation. There is no demand to devaluate. In fact, appropriate measures are being implemented to keep the lempira at 2 for 1 in relation to the dollar.

[Reporter] Dr Gomez, does this mean that the U.S. Government promised to make the $50 million payment to the Honduran Government before the current administration ends its term?

[Gomez] No, there is no promise yet. I mean, the problem was solved, but we do not know whether it will be paid now or later. What is important is that the problem was solved. There was an interpretation problem. There was no demand made. This was an agreement misinterpretation. That caused a delay, not by AID in Tegucigalpa, but by Washington, which demanded a certain kind of document. However, there is no problem anymore.

[Reporter] Therefore, Dr Gomez, has AID acknowledged that Honduras complied with all requirements needed for the payment?

[Gomez] No. Simply put, Honduras interprets the agreement in one way and they interpret it in another way. However, they will reach common conclusions to solve the problem. In fact, tomorrow I think that the IDB.... [Gomez changes thought] We will meet today to discuss $40 million that I think will be targeted for industrial reactivation. This will help ease the situation. Therefore, there is no problem on the part of AID or the United States. They are willing to continue helping Honduras and its development. The economic cabinet has done a good job and AID acknowledges that. It acknowledges that the current economic cabinet has done a good job. It respects the cabinet for its capacity and work to benefit Honduras.

[Reporter] Dr Gomez, in the beginning it was said that this issue had political connotations.

[Gomez] No, there is no political connotation in this. It is simply a difference in interpretation and viewpoints in the negotiations that deviated from the negotiations framework. There was a distortion due to a lack of communication.

[Reporter] Therefore, there was never any pressure on the part of the United States?

[Gomez] No, there has been no pressure so far. There is no problem; there is no reason to exert any pressure. They seek an activation of our development leading to a positive upstart in several sectors to ensure that the entire organization will focus on development -- not only the internal aspect, but also the external aspect of the Honduran representation. I am referring to the diplomatic-consular corps.

[Reporter] Dr Gomez, despite this, officials of the current administration publicly said that the U.S. Government through AID did in fact exert pressure to devaluate the currency and establish a parellel market.

[Gomez] Well, that is simply because negotiations were practically in the final stages. We are now working on the mechanics, the operational part involving the payment itself. Therefore, given that there will be a government transition in only 20 days, we have almost no time to wait for the operational part involving the payment to take place. That could happen tomorrow or in 10 days, or 20 days.

NEUTRALITY DECLARATION WITH NICARAGUA PROMOTED

PA081402 Panama City ACAN in Spanish 1843 GMT 7 Jan 86

[By Francisco Javier Mejia]

[Text] Tegucigalpa, 7 Jan (ACAN-EFE) -- A broad cross section of the Honduran Government and private interest groups are promoting a declaration of neutrality with Nicaragua in reaction to U.S. pressures for more aid to the anti-Sandinist rebel commandos. Diplomatic sources reported that the movement is attempting to establish the basis for more independence in Honduran foreign policy formulations during the next administration that will assume power on 27 January.

Honduran neutrality would imply an opening of relations with countries with which Honduras has only maintained sporadic commercial relations until now, and also a broader diplomacy with respect to regional concerns. According to the sources, initial contacts have been made with the Contadora Group member countries to ascertain that organization's response to the neutrality plan. The Contadora Group, made up of Mexico, Panama, Colombia, and Venezuela, is attempting to formalize a peace agreement for the area through the signing of a document, the terms of which have yet to be agreed upon.

The most likely nominee to be appointed foreign minister in the new administration appears to be Carlos Lopez Contreras, currently an adviser to that ministry. Lopez is a conservative and has experience in handling the border problem between Honduras and El Salvador.

The Honduran neutrality declaration would go beyond the expectations of Nicaragua's Sandinist regime, which on one occasion proposed the signing of a nonaggression pact between the two countries. Honduras rejected the idea, arguing that it had "no plans to attack anyone." The declaration would also imply a total break with the anti-Sandinist groups that operate on the Honduran-Nicaraguan border. During General Gustavo Alvarez Martinez' tenure as chief of the Honduran Armed Forces, the Honduran military cooperated with those groups. Alvarez Martinez was ousted after a barracks coup on 31 March 1984, giving way to officers less inclined to follow the dictates of U.S. policy in Central America.

The new Honduran strategy would tend to favor a more active trade exchange in the region because of the high production costs involved in keeping the quality standards the U.S. market -- Honduras' most important client -- demands. In addition, the United States imposes a quota on most of the items it purchases from Honduras. The plan would also allow the government led by Liberal Jose Simeon Azcona del Hoyo to invest in development program funds that otherwise would go into security.

Groups who have substantial economic leverage, including the coffee growers, who are the second highest producers of export revenue in the country, vehemently oppose the presence of anti-Sandinist commandos in the border area near Nicaragua because this is also a coffee-producing area, the yeilds of which have been seriously affected by the warlike atmosphere that pervades the area.

Meanwhile, the Suazo Cordova administration has broken its negotiations with the United States for a $50 million aid package and denounced the United States for attempting to condition its credit to a devaluation of the Honduran currency. This claim has garnered broad popular support for the government's position.

Azcona del Hoyo must therefore work to find alternative sources of financing in order not to yield to the U.S. pretensions. To do this he will have to put on a string much of the political pull that gave him an electoral victory on 24 November, the sources indicated.

NICARAGUA

BORGE ON STATE OF EMERGENCY, U.S. DIALOGUE

PM090851 Rome EL REPUBBLICA in Italian 7 Jan 86 p 10

[Interview with Nicaraguan Interior Minister Tomas Borge by Marco Cantarelli in Managua; date not given]

[Excerpt] Managua -- [Cantarelli] The war, the economic crisis and the struggle for survival, the Contadora crisis, the lack of prospects in the dialogue with the United States, the state of emergency. Before going into detail I would like to ask whether the restriction of political leeway in Nicaragua indicates a swing in the Sandinists' policy or whether it is what we might call a tactical stiffening pending better times.

[Borge] The state of emergency represents the legal recognition of a state of war. It does not represent a state of seige, or repression, or martial law, or attacks and killings in the streets, or tear gas bombs, or prisons full to the bursting point. There is a tendency to believe that a state of emergency implies brutal repression of the population. Any visitor to Nicaragua will realize that the state of emergency signifies not any kind of repression but a simple acknowledgement of the situation being experienced by our country, where thousands of men armed by the U.S. Government are fighting a war and planning to carry out sabotage and terrorist activities in the cities, murder revolutionary leaders, and conduct a campaign to disorient the people, precisely on the basis of economic constrictions stemming from the U.S. aggression.

[Cantarelli] So is it a turning point or just a stiffening?

[Borge] Neither. Simply an acknowledgment of a real situation in our country. The revolution has not altered its course. The blueprint of a mixed economy and political pluralism remains intact. In fact the state of emergency is designed to guarantee this political blueprint.

[Cantarelli] In September 1984 Nicaragua was the only Central American country to state its willingness to sign the peace treaty proposed by the Contadora group. Now it has virtually said "no" to the new draft submitted by the group. What are the obstacles? What does Nicaragua suggest?

[Borge] The September 1984 document we were willing to sign implied a number of restrictions for Nicaragua and at the same time for the United States and the other Central American countries. But Nicaragua's willingness to sign that document was not accompanied by similar decisions by other countries. The United States has always opposed signing the document. Subsequently, despite strong backing and the considerable authoritativeness gained internationally by Contadora, the pressures of the United States and the other Central American countries were so strong that the nature of the document was substantially altered. This is still under discussion. We have not refused to sign it.

We are proposing that it be altered in such a way that it can be accepted by all the Central American countries including Nicaragua, since we aspire not to a document that ratifies Nicaragua's surrender but to a document that will facilitate peace in Central America. What is the point of our signing a document if we then have to keep thousands of men under arms? What is the point of signing a document if the U.S. Government, via Congress, still decides to send aircraft, trucks, and other means of transport to the contras?

Above all, the new Contadora document is also challenged by other Central American governments, such as Honduras, Costa Rica, and even El Salvador, which has recently adopted a more militant attitude toward counterrevolutionary activities. Last, we are by no means sure that the Reagan government is willing to accept it, despite its advantages for the United States. A false impression has been created whereby the only country challenging the new Contadora document is supposedly Nicaragua. But the main obstacle to a Contadora agreement remains the United States.

[Cantarelli] What are the U.S. preconditions for a dialogue with Nicaragua and what do you propose? What could you discuss?

[Borge] There are many things to discuss, and I believe the most sensible thing would be to start discussions without preconditions. Even in drawing up an agenda, if the United States wants to discuss a point it must say so clearly and openly. Hitherto, U.S. proposals have been basically devoted to domestic political issues concerning our country: they have set as a precondition that we dissolve the National Assembly and hold new elections. This, as the first step. It is a really outrageous and senseless presumption.

[Cantarelli] Several Sandinist leaders have forecast the counterrevolution's "strategic decline." Pentagon officials seem worried about this. Is it a real prospect? Does this assessment not err on the side of over-confidence? If so, why raise another alarm by introducing a state of emergency?

[Borge] The counterrevolution's strategic plans have been neutralized. That is, its plan to occupy land and cities--to "liberate" them, as they put it--has failed. This does not mean that it has ceased to constitute a permanent tactical threat to our security in the various places where the counterrevolutionary forces are active. They are destroying much of our economy. They are unable to seize power but they can inflict huge damage on us. The state of emergency has to do with this. It is like a boxing match: When one of the two is on the point of being knocked out or is in rough shape, then the other launches a stronger attack to beat him once and for all. I do not want to be too confident or optimistic. I believe there will be war in Nicaragua for the next 2 years at least, if not longer. But our enemy's strategic plans have been defeated. The state of emergency is designed precisely to prevent this new balance of forces from being turned against the people's interests.

[Cantarelli] One of the aims of the emergency decree is to issue a message to the Catholic Church, especially to Cardinal Obando y Bravo. The Catholic hierarchy in turn accuses you of trying to carry out "religious persecution"....

[Borge] The state of emergency is not directed, as is claimed, mainly against Cardinal Obando y Bravo but is intended mainly to prevent the formation of a terrorist and also political and ideological internal front. This attempt also involves a rather reactionary sector of the Catholic Church that has used our people's religious feelings and the church's resources with the aim of spreading uncertainty and misinformation, and even of facilitating counterevolutionary recruitment among Christian sectors. So the state of emergency is not unconnected with the conflict with this kind of activity. In this connection it is also possible that there may have been some degree of inadvertence in proclaiming the state of emergency, that the decree may not have been couched in suitably propagandist terms, and indeed we have had to provide too many elucidations in this regard. This is partly because the first draft of the state of emergency decree laid down restrictions on which we were not agreed. Only after examining the spirit and letter of the law was the emergency decree issued with its present contents. However, exploiting this situation, rumors started to be spread cleverly by certain church and political sectors, according to which the revolution had forbidden religious activities, such as those celebrated every year in honor of the Virgin Mary. We were therefore forced to explain that it was a lie designed to confuse the public.

[Cantarelli] Some countries, political forces, friendly governments, and even governments not hostile to Nicaragua are worried about your country's situation and the measures that could cause you to stray from what has been called the Sandinist revolution's "original blueprint." Do you share this anxiety?

[Borge] Yes, I do, but I am more worried about the fact that people are not concerned about the aggression we are enduring. One is struck by the fact that people abroad are worried about the state of emergency in Nicaragua, which has not claimed a single life, involved a single tear gas bomb, or involved a single case of persecution. Yet they are not equally worried about the hundreds of casualties of the U.S. aggression. I believe that should be everyone's chief concern....

FLOW OF 'PRIVATE AID' TO CONTRAS TRACED

PA091649 Managua BARRICADA in Spanish 7 Jan 86 p 8

[By Fred Clarkson]

[Text] Washington -- The military supplies channel for the war against the Nicaraguan Government extends from the White House to this country. The contra army directed by the CIA is now also receiving training, supplies, and money from the White House tenants.

Even when Congress initially banned funds and the CIA leadership of the war, there was considerable evidence that this and other government agencies violated the law.

The network of "private aid" organized by far-right groups, the messages via television, and retired military and intelligence personnel have been structured into elaborate public relations schemes that package and present the idea of "freedom fighters" for domestic and foreign consumption.

In the center of this growing army of ideological vigilantes is the "World Anticommunist League" (LAM) headed by Major General John Singlaub, retired.

The Fascist International

Considered the fascist international, LAM was founded 18 years ago and is composed of conservative and fascist groups from approximately 100 countries. Singlaub said LAM has collected between $20 and $30 million in cash and "nonlethal" supplies for the contras.

Headed by Singlaub, the group was formed by experts in special operations, including the "gray eminence" of the dirty groups, General Edward Lansdale, retired. The group was also formed by Harry (Heinie) Aderholt of the air command association and Andy Messing, an activist of the "new right" from the National Defense Council.

By mid-1984, the official ban on aid to the contras gave rise to an increased flow of "private" aid in money, supplies, and, to some extent, training for them. White House officials selected Singlaub as the main fund collector for the "contras," and he was advised on how to structure the campaign within the limits of the neutrality document and other laws that prevent U.S. citizens from supporting wars abroad.

In addition to this, it has been reported that President Reagan approved the secret plan to replace CIA funds with aid from citizens of the United States and its allies. The main contributors are South Korea, Taiwan, and Israel. The contributions of the first two came from private business funds and an anticommunist organization that has close ties to the government.

Wheeler's Shadow

The organization in question is the LAM, which was founded by the South Korean and Taiwanese Governments at a conference held in Taiwan in 1977, and was a broadening of its regional predecessor ASIAM [not further identified] created after the Korean war (1950-1953) and the Chinese revolution (1949).

The LAM's agenda is not limited to the "contras." Its annual conference in September 1985, which was held in Dallas, Texas, was an all-out public relations effort and the center of tricks to collect funds for at least six other counterrevolutionary forces: Afghanistan, Angola, Mozambique, Ethiopia, Nicaragua, and Southeast Asia. The main topic at the meeting was "counteroffensive for the World's Liberation." Approximately 400 delegates and observers from all of the continents discussed how to support anti-communist uprisings and develop an increasing agenda.

The concept of "freedom fighters" as an organizational principle emerged basically from the work of Jack Wheeler, a publicist and former Rand Corporation adviser. Wheeler was responsible for a conclave of four groups held last June in Damba, Angola. According to the Citizens for North America (CPN) organization, a network headed by New York-based businessman and politician Lew Lehrman, their manifest objective is to promote Reagan's legislative program, especially the points regarding Central America.

Wheeler's activist approach complements Singlaub's efforts to promote a new image for LAM: not only anti-communist, but also anti-totalitarian and "pro-liberty."

Last year Singlaub was forced to part with many of his Latin American affiliates after newsman Jack Anderson published that they were controlled by a group of sympathizers from the World War II Nazi era called "the Tecos" ["Los Tecos"], whose members are linked to death squads trained in Argentina, Guatemala, and Honduras.

The "Tecos" Fascists

Investigators have discovered that even though "the Tecos" were expelled, the rest of the network was changed and included in the LAM.

Historically, this organization has been an international network of anti-Zionist fascists and extremist politicians. Nevertheless, Ronald Reagan has not refrained from establishing ties with the group and supporting it. In 1982, for example, the White House studied whether it should send -- and it did -- a greeting to the LAM meeting in Tokyo. The LAM has been hesitant in approaching Taiwan, and China could be offended by Reagan's message.

Reagan also sent an affectionate greeting to the meeting in Dallas that was greatly applauded when Singlaub read it. The note praised "the mechanisms of peaceful change through popular pressures exerted under conditions of human rights." Reagan's irony did not escape many newsmen.

ORTEGA, CSSR CULTURE MINISTER MEET 9 JANUARY

PA092142 Managua Radio Sandino in Spanish 1750 GMT 9 Jan 86

[Text] President, Commander of the Revolution Daniel Ortega Saavedra met a few minutes ago with Czechoslovak Socialist Republic Culture Minister Milan Klusak. The meeting was held at the presidential house and Mr Klusak conveyed to Commander Ortega greetings of solidarity from the Czechoslovak people and Government to the Sandinist revolutionary process and the struggle being waged by the Nicaraguan people to defend their achievements against the imperialist aggression.

During his brief visit to the country, Mr Klusak will meet with Foreign Minister Father Miguel D'Escoto Brockman and culture sector workers. He will also broaden the collaboration agreement which currently prevails between the Nicaraguan and Czech culture ministers.

ARDE COMMANDERS VIEW AGREEMENT WITH FDN

PA091926 San Jose Radio Reloj in Spanish 1200 GMT 9 Jan 86

[Text] Franklin, Leonel, Ganso, Navegante, and Oscar, regional commanders of the Democratic Revolutionary Alliance [ARDE], have described the agreement for unity with the FDN [Nicaraguan Democratic Force] as a result of the policy outlined by the ARDE leadership. They indicated that the agreement among the combatants is within the idea of a unity of action of all counterrevolutionaries to overthrow the FSLN. The agreement between the ARDE and FDN revolutionaries that was signed 2 months ago is in effect for the Chontales and Zelaya regions.

The commanders who signed the agreement with the FDN issued a call to the Nicaraguan Opposition Unity [UNO] to interpret the feelings for unity and resume the talks it unilaterally suspended with the Southern Opposition Bloc [BOS].

Only the patriotic unity of all Nicaraguan democrats, without any exceptions, in supporting a national democratic agreement will guarantee the people's victory over communism, Commanders Ganso, Leonel, Franklin, Oscar, and Navegante stressed.

LIQUOR, CIGARETTE PRICE INCREASES ANNOUNCED

PA091857 Paris AFP in Spanish 1659 GMT 9 Jan 86

[Text] Managua, 9 Jan (AFP) -- The Sandinist government today authorized increases ranging between 25 and 100 percent in the prices of cigarettes, liquors, and alcohol, which are regarded as "nonbasic" products. These increases come about a mere 9 days after the implementation of an increase in the wage scale ranging between 58 and 100 percent.

For his part, the domestic trade minister announced this week a "war against price gouging" to punish those merchants who raise the prices of staples without official authorization. The Sandinist government announced that for the time being there will be no increases in the prices of staples, noting that the wage increase announced in January must be paid for by employers.

DIRECT AERONICA FLIGHTS TO MIAMI TO BEGIN 1 FEB

PA100135 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 9 Jan 86

[Text] A commercial agreement between the Nicaraguan airline Aeronica and the Costa Rican airline Lacsa will be in force beginning 1 February. The agreement provides for direct flights between Managua and Miami. A similar agreement with Air Panama will be cancelled on 31 January because of the inconvenience for passengers of two stopovers enroute. Lacsa's flights will make it possible for the passengers to fly direct to Miami.

[Begin recording by airline official Roca] Passengers bound for Miami will board their plane in Managua and make the necessary connection with Lacsa in San Jose. Passengers will leave Managua at 0630, arrive in San Jose at 0710, board the Lacsa flight at 0800, and arrive in Miami at 1130. On their return flight, passengers will be able to arrive in Managua by 1730. Both in the Managua-Miami and the Miami-Managua trips, passengers will have their luggage checked to the final destination, either Miami or Managua. In other words, passengers will not have to pick up their luggage during their intermediate stops. [end recording]

As an introductory fare of this new service, passengers will be charged $380 in February. The normal rate is $420. No reservation limitations will be imposed as passengers will be able to fly on Mondays, Wednesdays, Fridays, and Sundays.

Roca also said that there is a great demand for flights to the Atlantic coast which the airline cannot cover. Efforts are being made to purchase new aircraft. A lack of trained personnel and the aggression also affect air travel to the coast. Despite all the difficulties, flights have continued.

U.S. REGIONAL ECONOMIC POLICY, HAUGHTINESS REBUKED

PA100007 Havana International Service in Spanish 2310 GMT 8 Jan 86

["Our America" ommentary]

[Text] Washington's violent reaction to Peru's most recent economic decisions, including the suspension of operations by the U.S. company Belco Petroleum in Peru, are evidence of the haughty attitude the United States has adopted in the face of the crisis affecting our peoples. Ronald Reagan and his team think it is inadmissible for a Latin American government to exercise its sovereign will to defend the nation's interests; they then react with such dirty blows as suspending sugar quotas and enforcing trade restrictions in addition to those already prevailing in our geographic area.

The positive aspect of these extremely haughty reactions is the fact that they show the true face of the main creditor of Latin America and the deceitful nature of its promises concerning the solution of the economic crisis affecting us, particularly a foreign debt amounting to over $370 billion. The stale Baker Plan that Washington is trying to offer as the divine solution to the regional debt problem is merely an inadequate band-aid. This is confirmed by the nearly unanimous rejection of it by the peoples and governments of the hemisphere. This was voiced in the last months of 1985 during the meetings of the Andean Parliament and the Cartagena Accord, which not only criticized the inadequate and vague plan, but also advocated the unity of all the peoples in the area for truly solving the heavy debt burdening the hemisphere.

Washington's selfish policy was also strongly rejected by SELA, the Latin American Economic System, which charged in its magazine, CAPITULOS, that the U.S. economy bases its recent weak growth on high interest rates, high fiscal deficits, overvaluation of the dollar, and growing protectionism, which is worsening the crisis throughout the world.

The balance of 1985 was very bad for Latin American nations. Norberto Gonzalez, executive secretary of ECLA, the Economic Commission for Latin America, has confirmed that the regional debt has grown to $370 billion, $10 billion over the most recently documented figure. Gonzalez added that the overall per capita product of all the Latin American countries only amounted to 0.5 percent last year and consumer prices rose 610 percent, something an average citizen cannot tolerate. [sentence as heard] This crisis, which Washington is trying to ignore or react to with violence, resulted in a British magazine, NEW STATEMENT, saying that 1986 might be the year the Third World refuses to pay its huge foreign debt.

The signs noted in Latin America in the face of the repeated lack of understanding by the White House seem to confirm this theory. The threatening language and haughty attitude are not the factors that might silence the just demands of millions of human beings who are hungry and doomed to permanent poverty.

ECONOMIC BOYCOTT OF LIBYA REJECTED BY EEC

FL091432 Havana Radio Progreso Network in Spanish 1200 GMT 9 Jan 86

[Station commentary]

[Text] During the last few hours, the Reagan administration has continued its economic reprisals against Libya.

The Reagan administration has also continued its dissemination of fabrications about the Tripoli government; but it has not been able to achieve one of its principal goals -- integration of the West European governments in the anti-Libyan crusade. The allies of Washington have turned a deaf ear to the insistent words of the White House spokesmen concerning what they describe as the critical importance of European cooperation in sanctions against Libya.

Almost all the member-nations of the EEC have communicated their decision not to apply economic blockade measures to Libya. Only the British Government has expressed support for the U.S. decision, but it has been reported that London will limit itself to not taking any steps that might interfere with the U.S. measures. Italy, the industralized country with the greatest trade with Libya, hastened to state that it will not unilaterally second Reagan's pressures. France, Spain, Portugal, and the FRG, to which countries Libya supplies more than 14 percent of their crude oil imports, have taken similar positions. The Dutch Ministry of Foreign Affairs has announced its total opposition to military intervention and sanctions against Libya. Sectors of all these countries have coincided in stating that the United States has been unable to present proof of alleged Libyan participation in terrorist actions.

This lack of proof became clear on Tuesday, when Reagan had to make excuses to the press because he could not present proof against Libya. On 8 January the White House published a new report on purported terrorist activities of the Libyan Government but once again -- as was immediately observed -- without giving proof of the allegations. But this is precisely what is being demonstrated in the Reagan administration's anti-Libyan campaign: the lack of proof that would justify its economical reprisal actions, its pressure on third countries, and its reiterated threats of military aggression.

ECONOMIC AGREEMENT WITH HUNGARY; MARJAI DEPARTS

FL100240 Havana Television Service in Spanish 0100 GMT 10 Jan 86

[Text] Jozsef Marjai, deputy premier of the Hungarian Council of Ministers, has departed Cuba to return to his country after participating in the 14th session of the joint intergovernmental Cuban-Hungarian Commission for Economic and Scientific-Technical Cooperation. Jose R Fernandez, vice president of the Council of Ministers, was at the Jose Marti International Airport to say farewell to the Hungarian leader and the high-level delegation accompanying him.

Shortly before the departure, Fernandez and Marjai published the final protocol of the 14th session of economic talks. The execution of credit agreements in general, which Cuba and Hungary had signed for the 5-year period that just ended, were considered to be positive. They also analyzed joint work in traditional areas as well as their perspectives and the inclusion of new areas of cooperation, such as in construction, with the immediate possibility that Cuba will send a group of construction workers to build homes in Hungary. Other areas being considered are tourism and computerization.

ECUADORAN PARLIAMENTARY DELEGATION ARRIVES

FL100214 Havana Radio Rebelde Network in Spanish 0000 GMT 10 Jan 86

[Excerpt] A delegation from the Republic of Ecuador's Congress arrived in Cuba this afternoon. Flavio Bravo Pardo, president of the National Assembly of the people's government, greeted the delegation at the Jose Marti International Airport.

Moments after greeting him, Mr Averroes Bucarem, president of the Ecuadoran Congress and who also heads the delegation, told Radio Rebelde:

[Begin recording] We think that not only friendship between the peoples should exist, but also dialogue, exchange of ideas, and assimilation of experiences. [end recording]

NEW TRADE PROTOCOL SIGNED WITH NICARAGUA

FL091607 Havana Radio Reloj Network in Spanish 1510 GMT 9 Jan 86

[Text] A trade protocol between Cuba and the fraternal Republic of Nicaragua has been signed at the Foreign Trade Ministry in Havana. This is the fourth protocol signed by the two countries since 1983 and provides for a wide bilateral exchange of industrial, agricultural, and consumer goods.

PERUVIAN GOVERNMENT DELEGATION BEGINS VISIT

PA091803 Havana International Service in Quechua 2200 GMT 31 Dec 85

[Text] Armando Villanueva, Peruvian senator and APRA [American Popular Revolutionary Alliance] secretary general, sent Fidel Castro and the Cuban people a greeting on the occasion of the New Year. In his message, Villanueva states that for many years the Peruvian and Cuban peoples have enjoyed a great friendship and that the two countries are anti-imperialist and work for the people. The message also expresses the hopes that in 1986 that friendship will strengthen for the good of the two peoples.

The Peruvian delegation will visit several industrial centers and places of interest in Cuba. The delegation has already visited the City Museum. During the visit to the museum the delegation was accompanied by Jose Ramon Fernandez, Cuban minister of education. The Peruvian delegation is formed by several ministers and advisers of Alan Garcia's government.

U.S. SHIP FIRES ON SALVADORAN REBEL POSITIONS

PA092007 Havana International Service in Spanish 1800 GMT 9 Jan 86

[Text] Radio Venceremos, official voice for the FMLN, reported that on Wednesday a U.S. warship attacked rebel units fighting against the Salvadoran Army troops in Usulutan Department. Radio Venceremos added that the U.S. ship fired at least three howitzers against rebel positions; however, no casualties were inflicted.

During skirmishes that occurred prior to the ship's attack, the rebels killed two and wounded one of the government troops. This is the first time since the war actions began in El Salvador that U.S. military forces have directly intervened in the conflict. The incident violates the U.S. law that forbids war actions without the authorization of the government.

BAHAMAS

CUBAN FISHERMEN ARRESTED FOR 'POACHING'

FL092155 Nassau THE TRIBUNE in English 30 Dec 85 p 1

[Text] The arrest of 22 Cubans, charged with poaching, by a defence force vessel in the Ragged Island chain last Monday has again focused attention on the "delicate" balance between the Bahamas and Cuban Governments over territorial waters.

It is understood that the arrests have caused the Bahamas Government such "concern" that the matter was given priority and dealt with urgently before the magistrate's court on Thursday, a public holiday, for "government and diplomatic reasons." It is understood that representatives from the Ministry of Foreign Affairs have had "direct contact" with officials in Cuba since the arrests were made and, as someone close to the situation put it -- the "dogs have been called off."

Unconfirmed reports are that the defence force vessel HMBS Montagu, under the command of Lt Roger Rolle, was "buzzed" by two aircraft while the arrests were being made. Mr George Stewart, under secretary with the Ministry of Foreign Affairs today refused to confirm or deny reports that the defence force vessel had been "buzzed" by the aircraft. He referred THE TRIBUNE to the defence force. However Commander Leon Smith was not available for comment today.

Mr Stewart also denied that any "negotiations" were going on between the two governments. He said that when any foreign fishermen are arrested it is normal procedure for the respective governments to be notified. He refused to comment on why this matter necessitated calling a magistrate's court into session on the Boxing Day public holiday. When asked if he considered this particular matter a delicate one, Mr Stewart said it is "always a delicate matter when we are dealing with foreign fishermen."

The Cubans are charged with being in Bahamian waters at the time of arrest.

On May 12, 1980 the defence force vessel HMBS Famingo was fired on and sunk by Cuban military aircraft using rockets and machine guns one and a half miles south of Cay Santo Domingo, within the undisputed territorial waters of the Bahamas. Four Bahamian crewmen were killed in the attack. The Bahamas Government, at the time, held Cuba responsible for the "illegal and unprovoked attack."

In this recent incident it was reported that HMBS Montagu was patrolling Bahamian waters near Cay Verde, in the Ragged Island chain, when they spotted four wooden Cuban fishing boats. It is understood that a large quantity of scale fish were found onboard the boats. The arrests were made on Monday, December 23.

Magistrate Cleopatra Christie and prosecutor Richard Gardiner were called from home to deal with the case in court 5 at about 1 pm Thursday.

The 22 Cubans were each granted bail of $5,000 and are expected to return to court on January 8. They were represented by attorney Janel Bostwick. Mrs Bostwick was not in office today, but her husband Henry Bostwick, when contacted refused to comment on the matter, However he did confirm that his firm was representing the Cubans.

The four fishing vessels are docked at the fish landing complex at Potters Cay. The Cubans are living on board.

THE TRIBUNE visited the boats this morning, and, with the help of an interpreter spoke with the captain of the boast. He was asked whether they were told by the courts if they could leave the compound of the fishing complex at all. The captain wanted to know why the newspaper was interested in that information and refused to answer. There was no police or defence force guard in sight and the Cubans were walking about the area freely.

The captain was also asked whether he saw or heard any aircraft buzzing the defence force vessel while they were being arrested. He said that "all the information" was given to the police. The captain said that, according to information he received from their lawyer, the Cuban Government was talking with the Bahamas Government on their behalf.

It was the arrest of eight Cuban fisherman in May, 1980 which triggered the military attack on HMBS Flamingo. According to a statement by the Bahamas Government issued on May 12, 1980 the defence force vessel was towing two Cuban fishing boats, suspected of poaching in Bahamian waters when they were attacked by a number of Cuban MiG's.

Cuban MiG Overflight Described

FL092254 Nassau THE TRIBUNE in English 3 Jan 86 p 1

[Excerpts] On December 23, two days before Christmas, defence force marines aboard HMBS Montagu feared for their lives as their vessel was buzzed about four times by a Cuban MiG aircraft, while another hovered overhead, ready for attack. It is understood that the Cuban fighter flew so low over the vessel that the Bahamian Marines were able to see the angry look on the pilots' faces.

Minutes before the MiG's arrived on the scene the Montagu had spotted and given chase to six Cuban fishing vessels. They had apprehended four of the boats, along with 22 Cubans, charged with poaching.

On that hot Monday afternoon HMBS Montagu, under the command of Lt Roger Rolle, was on routine patrol in Bahamian waters in the Ragged Island chain, near Cay Verde. They spotted the Cuban boats in Bahamian waters and gave chase. The Montagu was only able to apprehend four of the six vessels before they reached international waters. Two of the vessels had escaped.

While giving chase, men onboard the Montagu became aware that the fishing boats were using their radio communication equipment and had made contact with Cuba, asking for assistance.

Shortly after the Bahamian Marines had successfully rounded up the fishing vessels and taken them in tow, the sounds of approaching aircraft were heard overhead. As the men aboard HMBS Montagu sat "like sitting ducks" waiting for the first onslaught of gunfire the MiG fighter continued to buzz the aircraft. The men were able to see the pilot's face and identify each of the many rockets and bombs carried beneath the aircraft, THE TRIBUNE was told.

The second fighter stayed well overhead. The men were only able to see the shadow of the aircraft on the sea and the sunlight reflected on its silver paint, casting a shadow on the water. After the low-flying MiG buzzed the vessel four times, each time coming from a different direction, it joined the second aircraft and they both flew away, heading towards Cuba.

DOMINICA

MINISTER NEGATIVE ON SOVIET TRADE UNION RELATIONS

FL100001 Bridgetown CANA in English 2351 GMT 9 Jan 86

[Text] Roseau, Dominica, Jan 9, CANA -- Dominica's Attorney General and Labour Minister Brian Alleyne has complained of a subversive and destructive growth of fraternal relations between some Dominican and Soviet trade unions. Such relationships should not be tolerated in Dominica, Alleyne told a trade union seminar. He said unions in Soviet bloc countries were undemocratic because of their domination by the state, which was itself undemocratic. He did not identify the unions involved, but said he was disturbed that certain Dominican trade unions were trying to learn from those in the Soviet bloc to move away from the island's democratic norms.

He urged local unions to strive for the establishment of a social order based on the unity of all peoples in freedom and equality and the common utilisation of world resources. He said they should also get involved in the promotion of international solidarity, and the fight against social and economic exploitation at every level. The seminar Alleyne addressed dealt with changes in the bank industry and its repercussions on bank workers. Sponsors included the local Waterfront and Allied Workers Union (WAWU).

GRENADA

MORE CHARGES OF ILLEGAL MILITARY TRAINING FILED

FL091945 Bridgetown CANA in English 1928 GMT 9 Jan 86

[Text] St Georges, Grenada, Jan 9, CANA -- Grenada police charged four more people today with conducting illegal military training exercises but a magistrate indicated there was no cause for worry. The four -- Kennedy Samuel, Clarence Wells, Eric Bertrand and Franklyn Noel appeared along with nine others before senior Magistrate Lyle St Paul in an unusually packed St Georges court house. St Paul described the charge as a simple misdemeanour which he felt should not cause much anxiety among the population.

Rumours of coup plots have spread through the country since the arrests for an alleged incident on December 8.

The police also searched the home of former Agriculture Minister George Louison on Tuesday and questioned him for three hours in what the leftist opposition alleged was an attempt to link him with the arrests.

Six of the youths, Leon Vincent, Christopher Jones, Andre Lewis, Finton Joseph, Errol Robertson and Terrance Alexander were arrested Christmas Eve while three others, Denzil Walcott and cousins Leslie and Allan Francique were taken into custody last Sunday.

The magistrate announced that he would start a preliminary inquiry into the charge from January 21 to determine whether a case could be made out against the youths for a high court trial. The maximum penalty for the charge is imprisonment of two years. Acting Director of Public Prosecutions Jamaican Queen's Counsel Velma Hylton said that the police are continuing their investigations into the matter and other persons are still to be apprehended. Bail for the youths who are all from rural areas in Grenada was set in the sum of 5,000 dollars (one EC dollar; 37 U.S. cents) each.

Hylton requested that the passports of the 13 be confiscated because one of the persons being sought by the police had slipped out of the country. The magistrate ruled that there was no law giving him authority to act in this manner.

Defense lawyer Delano Harrison of Jamaica who is appearing with local attorney Robert Grant for the six of the defendants told the court that the charge laid is insubstantial and arose out of the support given by the youths in their residents for imprisoned trade unionist Chester Humphrey. [as received] Humphrey went on a hunger strike to protest his pending extradition to the U.S. to face gun-running charges. The case is now before the appeals court.

Harrison who is a member of the defense team in the much-delayed Maurice Bishop murder trial also complained to the court of a report recently carried by a local newspaper trying to implicate the youths with a plot to overthrow the Herbert Blaize administration.

St Paul said that the laws governing reporters conduct during preliminary inquiries were clear and warned those bent on committing breaches.

HAITI

SECURITY FORCES OCCUPY CITIES; MASS ARRESTS

PA091957 Madrid EFE in Spanish 1912 GMT 9 Jan 86

[Text] Port-au-Prince, 9 Jan (EFE) -- The Haitian security forces today occupied several cities and conducted mass arrests in response to protest demonstrations against Jean-Claude Duvalier's regime. The cities of Petit Goave, Miragoane, Gonaives, Jeremie, and Cayes were occupied by the police at daybreak in a further attempt by the government to curb the demonstrations that have been taking place in several areas in the country since November.

In November, Army soldiers killed three teenagers who protested against poverty and demanded social and economic improvements at their schools.

Today, 15 people were wounded in Jeremie including a 13-year-old boy.

There have been reports of many arrests in other cities and of beatings of demonstators who shouted slogans against the government.

In a telephone interview with EFE, Fataher F. Goin of Miragoane described police treatment of the demonstrators as "brutal."

The Catholic radio station Radio Soleil is the only medium that is reporting on the demonstrations via communications between priests in the cities.

The police have used their firearms to quell protests in all places where demonstrations have been staged since last weekend.

Gonaives, which has become the hub of the unrest since November and where a person was killed and three others were wounded by shots fired by the police on Monday, has been completely occupied by the security forces and the authorities have banned the circulation of individuals.

Calm returned yesterday to Port-au-Prince, the Haitian capital, amid rumors that mass arrests would be made.

The protests began in November, when approximately 1,000 people demonstrated in Gonaives over the murder of 3 youths by the Army.

This is the first popular uprising faced in 15 years of rule by "Baby Doc" Duvalier, who assumed power after the death of his father, Francois "Papa Doc" Duvalier, in 1971. Sources close to the government have told EFE that some members of the regime have suggested to the president that he consider other options to his lifetime mandate.

Troops Disperse Protesters

FL091526 Bonaire Trans World Radio in English 1130 GMT 9 Jan 86

[Text] In Haiti, troops fired into the air yesterday to disperse hundreds of protesters in the latest wave of antigovernment demonstrations that have claimed at least five lives in the past 6 weeks. The Catholic radio station Radio Soleil also reported that troops arrested about 50 people during the protests in a town about 60 miles southwest of Port-au-Prince.

Meantime, the continuing unrest has forced President Jean-Claude Duvalier to lower prices on some basic necessities as a means of restoring order. The 5 percent price cuts announced by President Duvalier apply, among other things to motor fuel and edible oils. The unrest began on November 28th, when Haitian security forces shot and killed three students in the town of Gonaives.

UNREST 'COULD COST' REGIME $50 MILLION U.S. LOAN

FL091543 Hilversum International Service in English 1030 GMT 9 Jan 86

[Text] Continuing unrest in Haiti. The poorest country in the Western hemisphere, has forced President Jean-Claude Duvalier to lower prices of some basic necessities as a means of restoring order.

The unrest began at the end of November, after three students were shot dead by police. At least fourteen more people have been killed since that time and actions by the police [word indistinct] in Haiti. The actions could cost the island's dictatorial regime the loss of an American loan of about $50 million. The five percent price cut announced by President Duvalier apply among other things to motor fuel and edible oil.

NETHERLANDS ANTILLES

NEW CABINET APPOINTMENTS, PROSPECTS VIEWED

PM090919 Rotterdam NRC HANDELSBLAD in Dutch 31 Dec 85 pp 1, 3

[Frans Kok dispatch: "Dom Martina Prime Minister in Netherlands Antilles Cabinet"]

[Text] Willemstad, 31 Dec -- Dom Martina, the leader of the Curacao New Antilles Movement party, is the new prime minister of the Netherlands Antilles. He succeeds Mrs Maria Liberia Peters, who, despite winning the election at the end of November, must now move to the opposition benches as a result of agreements between the seven other parties. On Aruba, Mr Henny Eaman becomes prime minister and will be sworn in as a government head tomorrow.

Yesterday the seven parties in the Antilles reached agreement on the distribution of ministerial posts. In addition to the premiership for Martina, the socialist New Antilles Movement also fills economic affairs Marco de Castro , and social affairs and constitutional restructuring Winston Lourens. Leo Chance of Sint Maarten's Democratic Party becomes deputy prime minister. Leslie Navarro and Frank Rozendal, both of Curacao's Democratic Party, occupy the Finance and Health Ministries respectively. Boy Hernandez becomes minister plenipotentiary in The Hague.

Papa Godett's Frente Obrero did not win a seat in the cabinet. The party preferred a government post on Curacao where according to political custom a power handover will also take place and where Mrs Peters' Christian democrat PNP [People's National Party] will move into opposition.

Sint Maarten's strong man, Claude Wathey, who as joint mediator had a large share in the formation of the new cabinet, is not, himself, a minister. However, all observers are agreed that he will to a signficant extent determine the future policy of the Antilles. Mrs Peters yesterday said that she even fears that all the other parties, especially those of Curacao, will have to accept the yoke of Wathey and the Windward Islands and that the new ministerial team will be "the government of concessions."

It was Wathey who primarily was critical of the additional 10 percent income tax, a crisis levy, of Mrs Peters. This levy will now disappear and will be replaced by other levies, including levies on import rights, which do not exist on the island of Sint Maarten.

The main reason why all the other parties were determined to put an end to the dominance of the PNP was that despite the poor economic situation the party continued with the appointment of numerous political allies to civil service posts and with the setting up, under the leadership of the PNP's second-in-command, Georg Hueck, of dubious financial projects at island level.

On Aruba, which tonight becomes an independent part of the Kingdom of the Netherlands, the formation of the new government has been completed. As expected, Mr Henny Eaman of the Aruban People's Party becomes prime minister. Tomorrow, after the ceremonial meeting of Aruba's first parliament, he will be sworn in as government head. Betico Croes, the great champion of a separate status for Aruba, becomes leader of the opposition after losing his absolute majority at the election at the end of November last year and after the formation of a coalition by all the other parties kept him out of government (just like Mrs Peters in the other five Antilles).

TRINIDAD AND TOBAGO

ANALYSTS PREDICT EARLY ELECTIONS POSSIBLE

FL091952 Bridgetown CANA in English 1624 GMT 9 Jan 86

[Text] Port-of-Spain, Trinidad, Jan 9, CANA -- Prime Minister George Chambers takes to the hustings again next Tuesday, when he resumes his Meet the People Tour across Trinidad and Tobago in the run-up to forthcoming general elections. Political sources said the final leg of the tour will culminate with the holding of the annual convention of the ruling People's National Movement (PNM) on March 30, fifth anniversary of the death of PNM founder and former Prime Minister Dr Eric Williams.

Analysts say the convention will be used to launch the party's campaign for the next poll, constitutionally a little over a year away but which some analysts predict could come this year. The PNM, which has seen a slip in its popularity in the last four years, is expected to face its biggest challenge in the election from a combined opposition unit called the National Alliance for Reconstruction (NAR). The PNM has been in power for close to 30 years.

OPPOSITION PARTIES FORM 'PATRIOTIC COALITION'

FL100014 Bridgetown CANA in English 2354 GMT 9 Jan 86

[Text] Georgetown, Jan 9, CANA - Five political parties, which protested the outcome of last month's general elections, have announced the formation of the Patriotic Coalition for Democracy (PCD).

Leader of the Marxist Peoples Progressive Party (PPP) Dr Cheddi Jagan said the parties will combine the will and the resources of all the democratic forces in the country in order to ensure that the elective principle is not abolished forever and to restore democracy to Guyana at the earliest possible moment.

The parties, which have said they want to bring down the government, are the PPP, the Democratic Labour Party (DLP), the National Democratic Front (NDP), the People Democratic Movement (PDM) and the Working Peoples Alliance (WPA).

Jagan said the main objective of the coalition is to struggle for the defence of civil and political rights and freedoms as stated in the Constitution of Guyana.

Organisations representing religious, cultural, trade union, business, and civic interests are being invited to associate with the coalition.

The elections returned the Peoples National Congress to power with 42 of the 53 seats. The PPP was allocated eight, the United Front, the only opposition party not to question the results two; and the WPA, one.

Jagan said the grouping will struggle for the observance by Guyana of genuine and periodic elections, supervised and administered both at national and local government levels by an independent elections commission which directs and administers the registration of electors. The coalition will support the recommendations for a Caribbean human rights covenant or its equivalent.

The PCD in a public appeal to Guyanese and Caribbean nationals said that Guyana is in grave peril and said it worried about the confirmed determination of the Peoples National Congress (PNC) to remain in power indefinitely in defiance of the will of the overwhelming majority of the population.

Unless we, the majority, struggle to regain our right to elect a popular government and introduce democracy for all, Guyanese will find ourselves a people dispossessed in our own land, the deputy leader of the National Democratic Front, J E Lila told reporters.

The coalition thanked fellow citizens of the wide Caribbean to whom we are bound by many ties, for their expressions of solidarity for the cause of right and righteousness and urged them not to relent in their efforts to bring about change in Guyana.

Jagan told journalists that the PCD will comprise an assembly and a Council of Guidance but it was not immediately clear precisely how they will work to advance the cause of the group. The assembly will comprise representatives of member organisations, other interest groups desiring representation, and individuals of approved democratic credentials who register as members.

The Council of Guidance will comprise representatives of the founding organisations, social organisations, observers, resource persons, and representatives of other interest groups.

It will be the public voice of the coalition and will consult with and report to the assembly. The parties met today to establish the Council of Guidance.

RELATIONS TENSE BETWEEN UNION, SUGAR COMPANY

FL092020 Bridgetown CANA in English 1724 GMT 9 Jan 86

[Text] Georgetown, Jan 9, CANA -- A powerful opposition-controlled Guyana labour union has reported tense relations with the state-run sugar company over allegations that it had broken a 1976 collective agreement with the company. THE MIRROR newspaper, organ of the Marxist People's Progressive Party (PPP), said a big controversy was raging over the issue which sprung from a two-day unofficial strike in the sugar industry last month.

The Guyana Sugar Corporation (Guysuco) accused the PPP-Aligned Guyana Agricultural and General Workers Union (GAWU) of breaching the contract by not giving prior notice of industrial action. According to THE MIRROR, GAWU replied that the workers had struck spontaneously, saying that the corporation was politically motivated in making the charge without discussing the matter.

The strike occurred days after PPP leader and GAWU's honorary president Dr Cheddi Jagan threatened strikes and demonstrations to support his allegations of fraud in the December 9 general elections.

THE MIRROR said that on December 9, Guysuco wrote the union saying that it was suspending all relations, but GAWU said this itself was a breach of contract and ought to be discussed. The paper added that on January 2, Guysuco said it was resuming relations with GAWU but insisted that the collective agreement had been broken by the union last month.

Guysuco has evaded the issue of a meeting and GAWU intends to pursue the matter until a settlement is reached, THE MIRROR said.

Meanwhile, the paper reported that the police had ruled out poisoning in the case of 78 workers who complained of feeling ill after drinking water on a sugar estate during the strike.

It quoted assistant police commissioner, Cecil Roberts, as saying that an initial test had indicated that the water was not poisoned.